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Economic and Social Council

Provisional

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Substantive session of 2002
Operational activities segment

Provisional summary record of the 12th meeting
Held at Headquarters, New York, on Friday, 5 July 2002, at 10 a.m.

President: Mr. Šimonović ..... (Croatia)
later: Mr. Kumalo (Vice-President) ..... (South Africa)

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02-46577 (E)

The meeting was called to order at 10.25 a.m.

Operational activities of the United Nations for international development cooperation

1. **The President** said that the operational activities segment of the current session followed the General Assembly's completion, at its fifty-sixth session, of the triennial comprehensive policy review of operational activities for development of the United Nations system and its adoption of resolution 56/201. The major conferences of the 1990s, the Millennium Summit and the International Conference on Financing for Development had created a climate of urgency, constructive engagement and renewed resolve to eradicate poverty, achieve sustained economic growth and promote sustainable development. The Council's role was to provide a central forum for discussion among all actors in international development cooperation, including high-level policy makers from developed and developing countries and representatives of the United Nations system, in order to identify new ways of achieving common goals. The segment was an opportunity to discuss the most relevant topics in the context of United Nations operational activities so that bilateral donors, recipient governments and multilateral and United Nations agencies could shape their future development cooperation policies and programmes in a constructive, enlightened way.

2. The high-level panel on capacity-building was an example of the way in which the operational activities segment should intensify its work as the facilitator of dialogue among key stakeholders, exploring better ways to pursue the ambitious goals of development and growth in a collaborative manner. The Council should continue to play its oversight role with respect to the operational activities of the United Nations for international development cooperation and to the funds and programmes and their executive boards.

3. *Mr. Kumalo (South Africa), Vice-President, took the Chair.*

Panel on capacity-building: a challenge for international development cooperation

4. **The President** welcomed the panellists and announced that Mr. Nitin Desai, Under-Secretary-General for Economic and Social Affairs, would serve as moderator.

5. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), Moderator, said that capacity-building was a vague phrase that bedevilled development cooperation; he therefore welcomed the effort to make it more operational. Over the years, he had seen a change in the underlying paradigm of development assistance. In the past, it had been project-oriented, externally managed and poorly integrated into national strategies and there had been little coordination between donors except at annual round tables. More recently, there had been a movement from a project-oriented to a programme-oriented approach and from external to national management. Integration into national plans and programmes had become vital; stand-alone projects were no longer acceptable to either donors or recipient countries and better coordination made conflicts among donor policy requirements less of a problem.

6. During the 1990s, the United Nations had played a major role in the development of a common framework for cooperation, particularly through the establishment of the Millennium development goals. The movement from a system of development assistance to one of development partnership explained the greater focus on capacity-building; donors must have confidence that their funds would be used effectively at the country end. Impact analysis, including effectiveness and accountability, was of growing importance in the negotiation and implementation of country programmes, and capacity-building was a key aspect of that process. It remained to be seen how it would enter into the Council's discussion of the topic of good governance.

7. **Mr. Faure** (Chairman of the Development Assistance Committee, Organisation for Economic Co-operation and Development (OECD)), Panellist, said that operational partnerships involved moving from an all-encompassing approach to one of managing processes and their outcomes, and making necessary corrections by setting targets and choosing indicators at the country level. The Paris 21 Consortium had led to new ways of producing and monitoring indicators in terms of statistical capacities. Despite its well-known shortcomings, technical cooperation was a preferred tool for that purpose.

8. Capacity-building was a natural corollary of a new approach, begun ten years previously and embodied in the Millennium development goals, which focused on empowerment and shared responsibility.

The operationalization of ownership required programme coordination at the country level in cooperation with the governments concerned; policy coherence was essential at all levels. Technical cooperation hinged on national ownership, taking comparative advantages into account. Capacity-building must promote sustained implementation of the decisions taken in Monterrey and, he hoped, Johannesburg, but it was also important to prevent the "brain drain" and to promote partnerships between the public and private sectors. A new sense of urgency made it necessary to move quickly in, for example, facilitating a pragmatic approach to capacities for trade, but that should be done in a manner consistent with and supportive of medium-term priorities while reconciling immediate and long-term technical cooperation through capacity-building.

9. Such an approach would require mutually supportive efforts by international, multilateral and bilateral partners, including multilateral frameworks which relied on bilateral donors for the majority of their funding. Much had been accomplished, but more must be done if ownership for all was to be achieved. Over-simplistic divisions of labour should be avoided, technical assistance should serve as a tool for capacity-building rather than as a stand-alone response, technical cooperation should take an "outward" approach rather than dwelling on "inward" improvements, and new aspects of globalization, such as knowledge-sharing and information and communication technology, should be taken more fully into account.

10. Interdependencies must also be borne in mind; it was not enough to view issues as involving only the poorest and richest countries. Middle-income countries could benefit from and contribute to capacity-building. South-South cooperation and regional approaches had the potential to shape comprehensive responses, and country-level strategies should be examined. Capacity-building had a role to play in all those areas. Lastly, framework approaches should be taken at the country level by, inter alia, incorporating national strategies for capacity development into poverty reduction strategy papers.

11. **Ms. Ndong-Jatta** (Secretary of State for Education of the Gambia), Panellist, said that the focus should be not on what was happening, but on what was not happening. Past efforts at capacity-building had had little effect on developing and least developed countries; in fact, they appeared to accentuate despair and dependency on the part of both partners and recipients. In some cases, insufficient resources were allocated while in others, there was a general mismatch between what was required and what was prescribed. Objectives were not fully understood because the partnership was unequal from the outset, while project areas were selected on the basis of the donor's judgement rather than the recipient's.

12. However, there was growing evidence of a more systematic and strategic approach. The design of technical assistance had improved over the years and greater attention was paid to the need to create or enhance a sustainable institutional legacy. Less reliance was placed on the use of expatriate advisers and more on national expertise, and the focus was increasingly on national commitment and ownership, enlisting the support of stakeholders and beneficiaries and maintaining a national coalition of support that could energize a programme.

13. National ownership was made up of human skills and institutional and organizational structures, and effective capacity was the proven ability of key individuals, groups and organizations to achieve social and economic goals on their own. Capacity-building in that context would entail more far-reaching organizational, social and even political reforms, an enhanced role for non-governmental organizations (NGOs) and the private sector and a shift to a more cross-sectoral approach to sustainable development. As expected, that shift was proving difficult to achieve owing to the embedded behaviour patterns of governments, donors and other groups. Under-utilization and misuse of existing capacities as a result of skewed reward systems, patronage and lack of professionalism led to "brain drain" and lack of commitment on the part of those who remained in the countries concerned.

14. Most multilateral organizations operating in developing countries — for example, the World Bank — created a specialized unit headed by outside expertise or by nationals who received many privileges and then who moved on to greener pastures at the end of the project without passing their knowledge and skills on to others.

15. Another shortcoming had to do with the generally poor coordination of assistance for capacity-building and, in some cases, inadequate diagnosis of the strategy

needed. Strategies initially put forward as suggestions, but later imposed as conditionalities, were confusing to recipients. The best approach to capacity-building in developing countries was to create a development vision and mindset; aim for retention and optimal use of existing local capacity, especially at the managerial and professional levels; and strengthen education, training and retraining of local capacity. Equally important were good governance and accountability at all levels, particularly in financial matters, and a supportive administrative, regulatory, organizational and physical infrastructure. As for the relationship between capacity-building and good governance, she noted that the foundations of good governance — transparency, effective participation and greater awareness of civic rights and responsibilities — could not be realized without capacity-building. Good governance should be required not only of recipient countries but also of donor countries or organizations.

16. Capacity-building and good governance provided the impetus for development assistance. Transparency, minimal risks and greater participation (which expanded stockholders' absorptive capacity) were all factors which inspired the confidence of development partners. Donors should be wary of withdrawing assistance on the basis of assessments carried out in the final stages of a programme. Such assessments could give an inflated impression of capacity. However, capacity assessment was actually a continuous process which constantly pointed up possibilities for improvement, and for attaining sustainable development and ownership.

17. National mechanisms for sustainable development must emphasize integration, participation and information. With regard to integration, multisectoral planning would maximize the use of scarce resources and, in her view, was preferable to the sector-wide approach in vogue. Participation ensured that evolving strategies were of the highest quality. Developing countries' experience was that competition between various agencies when too many were involved undermined the people-centred focus of their work. The developing countries were "overstudied". Repeated assessments and feasibility studies took up time and depleted local capacity that could be better used to coordinate agency inputs. No consensus had yet been reached, however, on how to build better linkages, particularly among multilateral and bilateral agencies.

18. There was general awareness of the need to broaden the perspective of capacity-building and to improve coordination and coherence for more sustained capacity development at all levels (international, national and local), and among all types of partners — multilateral, bilateral, non-governmental organizations, civil society organizations and national governments. As aid flows increased, their effective utilization must be embraced by all partners concerned, and the process of capacity development must be continually monitored as it became more institutionalized.

19. **Mr. Nduom** (Minister for Economic Planning and Regional Integration of Ghana), Panellist, said that retention should be a key factor in capacity-building. Ghana had to cope with the migration of its skilled and professional human resources to Europe, North America and Asia, and, within the country, from the rural to urban areas. The United Nations and other international organizations must understand that countries could not retain their capacity without the basic building blocks of prosperity and a decent standard of living. To that end, Ghana's poverty reduction strategy for 2002-2004 accorded top priority to infrastructure, because of its strong links to poverty reduction and capacity-building. He noted, for example, that one of Ghana's most productive regions (timber, gold, cocoa) had the lowest rate of human capacity development because it lacked telephones and safe drinking water. Insufficient infrastructure prevented rural schools, hospitals and local governments from attracting or retaining professional staff, and the rural exodus was overtaxing urban facilities. Although Ghana's development partners had questioned the order of its priorities, infrastructure had been emphasized by participants in the preparation of its poverty reduction strategy.

20. Other priority areas under the plan included rural development through modernized agriculture, enhanced social services (health and education), good governance and private sector development. All five priority areas were viewed as interlinked for investment purposes. After infrastructure, the focus would be on education and health, since an educated population would be better able to promote good governance and democracy.

21. The United Nations system should support measures to encourage the return of skilled labour and professionals, and become an advocate for reforming donor procedures, achieving coordination and ensuring

timely disbursement. It should actively monitor the commitments made by both developed countries (in the form of increased resources), and developing countries (in the form of good governance and democracy) and continue to support country-owned comprehensive development processes.

22. **Ms. Loj** (Permanent Representative of Denmark to the United Nations), Panellist, stressed the need for sustainability of all development activities. Denmark's experience had shown that short-term successes as a result of isolated interventions often lacked sustainability, generally because activities were not locally owned at all levels, including at the village level. The transfer of responsibility to local partners could only take place, however, if capacity-building succeeded in recipient countries. Denmark had learned that it was sometimes necessary to reduce the emphasis on short-term quantifiable output goals in favour of long-term needs, for example, laying 100 km of roadway rather than 200 km and allocating the remaining resources to building the recipient country's capacity to plan, administer and maintain its road system. That was the approach which Denmark's cooperation programme had taken in Ghana.

23. As for institutional development, she said that capacity-building must take place at the institutional, organizational and individual levels and must be aimed at creating an enabling environment, conducive to change, not only with regard to developing skills and knowledge but also transforming attitudes and policies on a long-term and ongoing basis. When Denmark had shifted its bilateral aid programme from project- to programme-oriented assistance, it had deliberately set a five-year duration for programmes, which could be extended to ten years, if necessary, in order to allow time for capacity development. As an external partner, it sought to improve a recipient country's overall system rather than to micro manage activities. Through twinning with European institutions, networking, and formal and informal training, it encouraged capacity development in recipient countries and gradually transferred responsibility for implementing activities and administering resources. Its own responsibilities were largely concentrated on maintaining financial and managerial control functions in order to ensure that Danish funds were not mismanaged; otherwise, popular and political support for its high level of development assistance would wane. In that connection, she agreed with Ms. Ndong-Jatta that accountability was a standard not only for external partners but also for recipient countries to abide by.

24. Good governance was the backbone of capacity-building; the manner in which a Government functioned determined its ability to engage in partnership and take responsibility for activities. Institutions that could transform society and foster change, including at the local level, and the decentralization of public services would both improve accountability and develop democratic structures at the local level, as had been demonstrated in Ghana.

25. With regard to various remarks made earlier by other panellists, she said that she fully agreed that an assistance framework must be defined by just one partner in the group for all the others to follow. The recipient country must be in command and must be given assistance for capacity development in order to avoid repeating the mistakes of the past. She agreed that recipient countries were sometimes overstudied. In one instance, Denmark had required four or five staff members of the Ministry of Finance every year for its assessment missions. Donor coordination and cooperation, right from the design and planning stage of sector programmes, would minimize such burdens on the administrations of developing countries. While every effort should be made to use local capacity, donors should not inadvertently take personnel that were vitally necessary to administer local governments.

26. **Mr. Diabre** (Associate Administrator, United Nations Development Programme), Panellist, said that the UNDP view of building capacities considered that the phrase "capacity development" was more accurate than "capacity-building". There were three key parameters in the UNDP approach to the issue. First, the aim was to strengthen existing aptitudes, rather than to suggest that they were completely absent. Second, assistance must target both individuals and social groups, whereas in the past the former had received attention at the expense of the latter. Third, the aim was to help individuals and social groups fulfil their own social functions, not those selected for them in a country or donor programme. Only that approach would generate a momentum for people to create a better life for themselves.

27. There were two major directions to UNDP activity. The first was poverty reduction, especially through the development of capacities; development must be undertaken not so much for the people as with

and through the people, their needs being paramount. The second was governance, which required a multidimensional approach not hamstrung by theory but rather designed to enable individuals and social groups to carry out their social functions.

28. Past lessons and experience would help to chart the way forward. The primary lesson was that without national ownership of development, development would not be lasting. Visits by consultants, or the holding of seminars, could serve the needs of the moment, but capacity development was a long-term task and called for a long-term view. Needs differed from country to country and from group to group, so there was no one-size-fits-all solution. UNDP experience had shown that developing existing capabilities was more fruitful than creating new structures and institutions. Solutions also needed to take a broad view, moving beyond a focus on individuals or institutions to examine society as a whole, and beyond a focus on the public sector to encompass the private sector and civil society. UNDP was proud of having championed what it termed "national execution", where close cooperation with governments, non-governmental organizations and civil society ensured that the recipients themselves implemented UNDP and other donors' programmes. In that connection, UNDP had launched the Capacity 2015 initiative, which had been discussed at the Bali Ministerial Preparatory Committee and would be introduced at the World Summit on Sustainable Development in Johannesburg.

29. There were new avenues to explore, and UNDP was devoting much thought to what to do in the future, motivated by the fact that the environment in which it was providing assistance had changed dramatically. That new environment had a number of salient features. First, everyone had become conscious that there was no single development path or experience which could suit all countries. When capacity development had first been tackled in the early 1960s, the prevailing school of thought had been that countries that had made some progress could help those that were lagging behind. Experience had shown that that assumption was often mistaken. Second, in contrast to assumptions in the early 1960s, it was no longer possible to segment knowledge and capacity geographically, since the North-South divide that had been at the heart of development thinking for so long had broken down. Third, in a globalized environment, methods of transferring knowledge had changed. Access to information was possible everywhere, and information and communication technologies had enabled people to talk to each other in a way that eliminated the need for an intermediary such as a development organization. Fourth, the old assumption that the country at the centre of development efforts actually lacked capacity had lost its validity. The emphasis was no longer on building capacity, but on helping recipient countries to retain the capacity they already had and to address the "brain drain".

30. **Ms. Siddiqi** (Senior Social Development Specialist and Learning Coordinator, World Bank), Panellist, said that at the centre of the new vision of capacity-building was the concept of ownership, which was not static, but varied from place to place and point in time to point in time. Ownership meant setting priorities, determining where gaps in capacity existed and deciding how to gauge results. Capacity-building had itself undergone a change of emphasis, from technical excellence to results-oriented skills, from individual skills to wider skills and from a top-down approach of experts imposing solutions to an approach involving dialogue, negotiation and collaboration. It had moved from a sideline to a subject which would be mainstreamed into the activities of international agencies and local bodies.

31. Much had been learned from past experience. Capacity-building had to be tailored to circumstances. Expertise to build capacity could be found in many places, and cooperation and communication between all those involved were essential for maximum benefit. All the organizations involved had begun to learn what changes they needed to make in their methods, but there was much still to be done to make the transition from driving the development process to allowing recipient countries to chart the way forward.

32. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), Moderator, invited questions and comments on the presentations made by the members of the panel.

33. **Mr. Semakula Kiwanuka** (Uganda) welcomed the emphasis placed on good governance by Ms. Ndong-Jatta, a government minister from a developing country. However, good governance demanded not just a commitment to improve, it required resources. No country could have a good legal framework without trained judges and paralegal staff.

For that reason, genuine capacity-building partnerships were important.

34. Rather than lamenting the flight of skilled individuals, developing countries needed to find ways of producing and retaining capacities. He agreed with Mr. Nduom that the infrastructure requirements of rural areas deserved priority, to improve their ability to attract and retain skilled people, who could not be blamed for wanting to leave for the cities. It was vital to have a critical mass of people with expertise. Africa lacked skills in many fields. Transfers of technology were not achieved by having professors of physics at a university, but by enabling men and women to work and apply their skills.

35. **Mr. Toda** (Japan) emphasized that capacity development was a challenge closely bound up with the dignity of a country and its citizens. Moreover, that did not mean the dignity of a country's leaders alone, it meant dignity at the grass-roots level of society. Because technical assistance for capacity-building was a long-term task, over-reliance on short-sighted, results-oriented objectives was unwise. Equally unwise was long-term support without any phase-out provision. Since knowledge for capacity development was often more readily available in the South than the North, Japan supported more South-South cooperation and cooperation with emerging economies and organizations such as UNDP. Capacity-building was a challenge to which Japan would remain committed.

36. **Ms. Starbæk Christensen** (Observer for Denmark), speaking on behalf of the European Union, said that she had a number of comments and questions. First, capacity-building was a highly relevant and important issue. It was essential to translating into action internationally agreed goals, including the Millennium development goals. Development in general needed to centre on ownership, not supply and demand. In the light of those observations, she asked if the panel could suggest ways of strengthening national ownership and indicate what conditions should be attached to it. Second, assistance from the United Nations needed to be at the core of efforts to build capacity, requiring a system-wide understanding of what capacity-building was, and mainstreaming of the issue into other policies. Also required was more routine sharing of experience within the United Nations system, and more synergy between bilateral and multilateral donors. In the light of those observations, she asked if the panel saw any way to improve such synergy. Third, the European Union welcomed the emphasis on measuring effectiveness and introducing results-based management, using benchmarks and indicators, within the United Nations system. In the light of those observations, she asked if the panel could suggest how to establish performance indicators, given that capacity-building was a long-term task.

37. **Mr. Isakov** (Russian Federation) said that he had concluded from the observations made by the members of the panel that the developing countries needed a comprehensive interpretation of capacity-building. In that connection, he asked how the panel saw the prospects for developing such an interpretation, and for improving cooperation between the Bretton Woods institutions and the United Nations. He welcomed the emphasis on national accountability for implementing United Nations capacity-building programmes. Recipient governments had a central role to play in translating that accountability into action by determining implementation methods and setting priorities in the light of their countries' needs and circumstances.

38. Central to building and consolidating capacity in the recipient countries was adhering to General Assembly resolution 56/201 of 6 March 2002, particularly the recommendation in paragraph 30 that the United Nations system should use, to the fullest extent possible, national expertise and indigenous technologies. One important area for capacity-building was governments' ability to cope with disasters. Exchanges of experience would be valuable in that regard.

39. **Mr. Stanislaus** (Observer for Grenada) said that a paradox was developing in the Caribbean, as in many developing countries: people who had received training as a result of capacity-building efforts often took up attractive jobs outside the region, many of them in donor countries, owing to the "brain drain" phenomenon. The education and health sectors were particularly affected by the problem. Donor States should help developing countries to retain the capacity they had helped to build.

40. **Mr. Lindberg** (Observer for Norway) said that the renewed emphasis on national strategies for poverty reduction underlined more than ever the crucial importance of the effectiveness of institutions in development. Capacity-building had always been an integral, cross-cutting component of Norwegian

development cooperation. Human resources development had been the most visible expression of his Government's approach.

41. A holistic view had evolved in Norway over the years, and emphasis was being placed on capacity that enabled countries to initiate, plan and implement their own development goals in a changing world. There was a need to further develop criteria and benchmarks for measuring capacity-building. His Government increasingly considered that developing countries must make their own decisions on the kind of capacity-building needed and how it should be delivered. It also believed that delivery should be untied from funding and that there was much scope for coordination of capacity-building efforts among the donors involved, particularly within the United Nations system.

42. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), Moderator, after summarizing the discussion thus far, invited the members of the panel to comment.

43. **Ms. Siddiqi** (Senior Social Development Specialist and Learning Coordinator, World Bank), Panellist, referring to the issue of country-driven and demand-driven capacity development, said that it was important to work with the various stakeholders to determine what action was needed. As for the importance of measurement, capacity-building was a continuing process and it was necessary to avoid getting bogged down in short-term indicators.

44. **Mr. Diabre** (Associate Administrator, United Nations Development Programme), Panellist, said that important criteria in the area of capacity-building included the following: ownership by each country of its own development vision and strategy; enabling countries to diagnose and put forward their own capacity development needs and to develop strategies at the national level; making sure that countries could not only design and implement, but also monitor development activities; and donor coordination.

45. **Ms. Loj** (Permanent Representative of Denmark to the United Nations), Panellist, said that the issue of resources was a chicken-and-egg problem; when the limited resources available were used effectively, more resources would then become available. Capacity-building must not be allowed to become a sector in itself, which would then be the target for vertical interventions; it must be seen as an instrument for the implementation of sectoral policies. The agencies and organizations of the United Nations system, which had the widest knowledge in the area of capacity-building, should be invited to involve themselves more closely in sector programme cooperation.

46. **Mr. Nduom** (Minister for Economic Planning and Regional Integration of Ghana), Panellist, said he had concluded from the current discussion that his Government should incorporate a capacity development component in its poverty reduction strategy and that other recipient States should also be encouraged to do so.

47. **Ms. Ndong-Jatta** (Secretary of State for Education of the Gambia), Panellist, said that greater emphasis should be placed on the importance and difficulty of capacity retention. A more holistic approach should be adopted in dealing with capacity issues, and a good indicator of such an approach would be the existence of joint efforts by the Bretton Woods institutions together with multilateral donors coming together to help to diagnose problems at the country level.

48. **Mr. Faure** (Chairman of the Development Assistance Committee, Organisation for Economic Cooperation and Development), Panellist, said that the discussion had shown a remarkable degree of consensus as to what objectives should be pursued for the implementation of the Monterrey Consensus. What was more difficult was to determine what immediate steps should be taken in starting that implementation.

49. It was important to work with national authorities in the area of capacity in the broadest sense, bringing in all potential partners, taking into account all needs, time frames and available responses, and the priorities of the country itself, and devise framework strategies for the development of the needed capacities. Performance was a vital issue, a nexus involving efficiency, effectiveness, measurement of results, capacity-building and the need for adequate and sustained resources.

50. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), Moderator, suggested that the best indicator of successful external assistance in capacity-building was the speed with which that assistance made itself redundant.

The meeting rose at 1.10 p.m.

United Nations E/2002/SR.13

Economic and Social Council

Provisional

10 October 2002

Original: English

Substantive session of 2002
High-level and operational activities segments

Provisional summary record of the 13th meeting
Held at Headquarters, New York, on Friday, 5 July 2002, at 3 p.m.

President: Mr. Kumalo (Vice-President) ..... (South Africa)

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The contribution of Human Resources Development, including in the areas of health and education, to the process of development (*continued*)

Operational activities of the United Nations for international development cooperation

(b) Reports of the Executive Boards of the United Nations Development Programme/United Nations Population Fund, the United Nations Children's Fund and the World Food Programme

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02-46580 (E)

The meeting was called to order at 3.15 p.m.

The contribution of human resources development, including in the areas of health and education, to the process of development (*continued*)

1. **Mr. Correa** (Franciscans International), speaking also on behalf of the non-governmental Committee on Social Development, welcomed the holistic vision of human resources development which had emerged from United Nations conferences and summits during the past decade, with poverty eradication as an overriding goal. Problems and strategies had been identified, and the Council must mobilize the political will to support them.

2. More attention must be paid to literacy, basic education and employment-oriented education, and Governments must ensure that poor children in rural and urban areas, especially girls, received basic education. The United Nations Educational, Scientific and Cultural Organization (UNESCO) had done well to make education for all the centrepiece of its medium-term plan and to give girls' education top priority in its strategic plan. Affordable job-oriented courses must be provided for youth, especially in developing countries, and older persons should be recruited to act as mentors, advisers and mediators. Reductions in military spending would allow more funds to be allocated to education, and arms-surrendering programmes, especially in Africa, should be linked to capacity-building, education and job opportunities. Recent terrorist attacks having demonstrated that terrorists received more support and sympathy from uneducated and unemployed youth. In Monterrey his organization had called on Governments to join in an international coalition against poverty. The developed world and the Bretton Woods institutions must give priority to capacity-building, education and job opportunities, while at the same time providing financial assistance to developing countries which were making genuine efforts to educate their citizens, especially the poor and girl children.

3. In the area of health, he supported the finding of the Commission on Macroeconomics and Health that health was a prerequisite for economic development in poor societies and not vice versa. As to the Global Fund to Fight AIDS, Tuberculosis and Malaria, he hoped that its creation would be expedited so that aid could be sent to deserving people in time. He urged developed countries to provide more funds for research to discover effective medicines to prevent and cure those deadly diseases.

4. Structural adjustment policies should not force developing countries to withdraw subsidies for education and health. Rather, the developed world and the Bretton Woods institutions should increase official development assistance and cancel the debt of the poorest countries so that they could allocate sufficient funds to human resources development. The developing countries, for their part, should devote greater attention to good governance and transparency in order to ensure proper management of programmes and resources for the benefit of those in need. Gender balance should continue to be given serious consideration at all levels, including in budget allocations.

5. Non-governmental organizations (NGOs) were committed to helping identify critical situations where social interventions were necessary and to remaining engaged in the follow-up to the International Conference on Financing for Development. The Council had a pivotal role to play in maintaining the focus on financing for human resources development, and he welcomed its increasing openness to allowing accredited NGOs to participate in high-level meetings and round tables. He hoped that NGOs would be included as active partners in all future United Nations events and processes.

Operational activities of the United Nations for international development cooperation

(b) Reports of the Executive Boards of the United Nations Development Programme/United Nations Population Fund, the United Nations Children's Fund and the World Food Programme (E/2001/35; E/2002/11, 34 (Part I), 36, 54 and 69; E/2002/L.10; E/2002/CRP.1; DP/2002/10; DP/2002/CRP.13)

Policy exchange with the executive heads of the United Nations funds and programmes on the implementation of General Assembly resolution 56/201 on the triennial policy review

6. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund (UNICEF)), focusing on the outcome and implications of the special session on children, said the session had been preceded by a

thorough review of progress made following the 1990 World Summit for Children, including high-level regional meetings and the record breaking Say Yes for Children campaign, in which 95 million people had endorsed priority action for children. In addition to 69 Governments, there had been broad-based participation from civil society and the public and private sectors, with many delegations having included children as official members. Children themselves had been able to show leadership and participate in proceedings, including plenary meetings and round tables, engaging in energetic dialogue with world leaders. She suggested that children should continue to be included as full participants at future special sessions and summits.

7. The special session had culminated in the adoption of a final document entitled "A world fit for children", which outlined States' commitments in the areas of promoting healthy lives, providing quality education, protecting against abuse, exploitation and violence and combating HIV/AIDS. The commitments in the areas of health and education built on the outcomes of the 1990 World Summit and stressed issues such as child survival and access to health care and education, with special emphasis on ensuring completion of studies, not simply initial enrolment. The commitments relating to HIV/AIDS took into account the results of the special session on HIV/AIDS.

8. The Plan of Action contained 21 goals and 99 targets, including indicators such as maternal, infant and under-five mortality, school enrolment and completion rates, immunization coverage rates and access to safe water and sanitation, all of which were closely related to the Millennium development goals. Follow-up to the Plan of Action would be linked to implementation of those goals. The Plan of Action called for developing and strengthening national and regional action plans with precise timetables and measurable goals and targets and for integration of its goals into domestic development and poverty eradication strategies. It also called for cooperation with civil society stakeholders, including children and their families, and for allocation of additional resources at the national and international levels.

9. **Mr. Ragab** (Egypt) said that there seemed to be a great deal of emphasis on statistics and quantitative analysis. He wondered how UNICEF reconciled the promotion of quality and harmonization of educational levels at the international and national levels in the context of globalization with the need for preservation of national identity.

10. **Mr. Rosenthal** (Observer for Guatemala) recalled that during preparations for the special session there had been marked differences with regard to certain issues. In relation to the goals set out 11 years before, he wondered whether the outcome of the special session could be considered a step forward, maintenance of the status quo or a step backwards.

11. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund), in response to the representative of Egypt, said that while quantitative measures such as enrolment figures remained important, increasing emphasis was being put on qualitative factors and effectiveness. Harmonization of education levels did not imply imposition of a one-size-fits-all solution. The Plan of Action called for education for all but with specific policy options to be decided by Governments and integrated into national strategies. Qualitative factors to be taken into account included completion of education, usefulness of the education provided, teaching of life skills, whether the education helped the individual function in society subsequently, interactivity and quality of teacher training.

12. In response to the representative of Guatemala, she said that the outcome document was of the special session was a strong one which reflected all the major issues and moved the agenda forward in relation to the 1990 World Summit, which she recalled had not been an official United Nations meeting. The recent gathering had been the first special session of the General Assembly devoted to children's issues. In 1990 the focus had been on health, with education a secondary issue. The current document reflected unfinished business from 1990, for example the goal of reducing under-five mortality by one third, a goal reached by 60 countries, with 100 other countries having reduced mortality by 20 per cent. The Plan of Action moved the agenda forward in the area of child survival and reflected new concern for early childhood development in the first three years of life. In education it stressed not only access but quality and completion of education. In the area of protection, it contained the first concrete language on protection of children and re-emphasized concerns relating to HIV/AIDS. By 10 September 2001 the framework for the issues of health, education, protection and HIV/AIDS had been in place.

13. The remaining issues had been resources, monitoring, the Convention on the Rights of the Child and reproductive health. There had been no real change with regard to the latter, the document reflected the provisions of the Convention on the Rights of the Child, and, with regard to resources and monitoring, although there was no new language, the outcome document did not represent a step backwards. Overall, therefore, the Plan of Action broke new ground in the areas of health, education and protection, reiterated concerns with regard to HIV/AIDS and did not move backwards in other areas.

14. **Ms. Loemban Tobing-Klein** (Suriname) supported the inclusion of young people in delegations to major conferences and also expressed thanks for the letter sent by UNICEF to delegations following the Summit with an evaluation of the delegations' contribution and suggestions on what needed to be done in follow-up by each individual country. She asked whether UNICEF had any plans to address the problem of high dropout rates, in particular for boys, which was a problem in the Caribbean region.

15. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund) stressed the importance not only of ensuring initial enrolment in school but also of ensuring completion of primary and secondary education. The outcome document contained specific language on reducing the number of children out of school, which included those who had never attended school, usually girls, and those who had dropped out, usually for economic reasons for boys and because of early marriage for girls. The document called on Governments to set goals in that area and work in cooperation with UNICEF and other United Nations agencies to achieve those goals.

Panel discussion on the implementation of General Assembly resolution 56/201 on the triennial policy review

16. **Ms. Henkin** (United Nations Population Fund (UNFPA)) said that the common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) had been introduced in 1999 as part of the ongoing reform process, with the aim of improving the effectiveness of the United Nations system at the country level. The Secretary-General's Road map towards the implementation of the United Nations Millennium Declaration (A/56/326) and his report on the prevention of armed conflict (A/55/985-S/2001/574) had underscored the significance of both tools in support of development and the reduction of extreme poverty. General Assembly resolution 56/201 of 21 December 2001 had further recognized the CCA as a common analytical instrument for the United Nations system and UNDAF as the common planning framework for the development operations of the United Nations system at the country level.

17. In preparation for the triennial policy review, an external evaluation of both processes had been conducted, based on the implementation of 105 CCAs and 63 UNDAFs over a three-year period, and had resulted in constructive recommendations. Following extensive consultations, revised guidelines had emerged. New elements in the guidelines included particular emphasis on broad-based national participation in a high-quality analysis of development challenges through the CCA, under the overall guidance and leadership of Governments. The revised guidelines emphasized quality products that responded to national priorities and accorded with the Millennium development goals and other international commitments. They also stressed the importance of linking the CCA and UNDAF with other national strategic planning tools, notably the poverty reduction strategy paper and the sector-wide approach. The CCA and UNDAF exercises were now fully integrated into the programme formulation processes of UNFPA, the United Nations Development Programme (UNDP) and UNICEF in accordance with the harmonized-programme approval process.

18. The revised guidelines were currently being piloted in Benin, Ecuador, Kenya, Madagascar, Niger and Pakistan. To support the six United Nations country teams and their national counterparts, a virtual support system — comprising staff members from headquarters and regional offices — was being established. All partners must work together to further improve the second generation of CCAs and UNDAFs.

19. With a view to improving the gender balance of the United Nations Resident Coordinator system, the United Nations Development Group (UNDG) had agreed earlier in the year to make sure that at least 50 per cent of the candidates proposed for assessment were women. Regrettably, women still only accounted for 26 per cent of Resident Coordinators, and at the most recent assessment, only 18 of the 60 candidates had been women. However, all agencies were

committed to achieving parity among Resident Coordinators in the foreseeable future.

20. **Mr. Graisse** (World Food Programme (WFP)) said that UNDG had been expanded to include all agencies with resident missions at the country level and its membership now mirrored the composition of the United Nations country team. The scope of UNDG had also been enhanced with the inclusion of the World Bank as an observer.

21. Earlier in the year, UNDG and the Executive Committee on Humanitarian Activities had prepared a joint United Nations response to humanitarian and development needs in Afghanistan, providing a good example of how the two bodies could cooperate in a large and complex emergency. Cooperation between UNDG and the Executive Committee on Peace and Security had also been increased.

22. Further progress had been made by the agency members of the UNDG Executive Committee with regard to the country programme approval process, which was designed to reduce country-programme preparation time and to reduce the workload for government partners. The process took into account the timing of CCAs and UNDAFs, which had to be in place before the detailed design of an individual agency's cooperation programme could begin. The UNDAF was now the basic tool for programme planning, bringing together the Government, United Nations agencies, Bretton Woods institutions, civil society and bilateral agencies.

23. There had also been substantial collaboration between the funds and programmes and the Bretton Woods institutions, particularly in preparations for the International Conference on Financing for Development held in Monterrey, Mexico. As an example of such cooperation, World Bank representatives had met with UNDG agencies to discuss business relationships with United Nations agencies in Bank-financed projects, with a view to establishing more harmonized operational procedures. WFP now possessed a liaison office in Washington devoted exclusively to working with the World Bank, and joint programming was already under way with the Bank on nutrition and school feeding. All partners at the global level were clearly focused on strengthening such collaboration. The remaining challenge was to ensure that the same degree of collaboration took place at the country level.

24. **Mr. Diabre** (United Nations Development Programme) said that in the consolidated list of issues related to the coordination of operational activities for development (E/2002/CRP.1), with the exception of the annex containing the programme of work for the simplification and harmonization of the United Nations funds and programmes, there was little that was not already contained in the reports regularly submitted to the Executive Boards and transmitted to the Council for review. The conference room paper should thus be limited to one or two new issues requiring the Council's guidance, such as the specific issues under the triennial policy review.

25. The Administrator of UNDP — in his capacity as Chairman of the United Nations Development Group — had been mandated to work on the Millennium development goals campaign and to report on implementation. UNDG had prepared a strategy for that purpose, which focused on reporting, partnerships in operational activities and awareness-raising campaigns. The Department of Economic and Social Affairs was leading the reporting effort, which involved preparation of country reports based on information available in the CCA. UNDG was also beginning to work more closely with the regional commissions and had prepared a guidance note to country offices on Millennium development goal reports. In the context of partnerships, a dedicated UNDG working group was working to ensure that the Millennium development goals were reflected in all future programming and operational instruments. Such work would provide critical information to drive a series of awareness-raising campaigns. At the country level, the campaigns would be driven by local actors and based on local priorities, but linked to the same underlying goals. The aim was to make the Millennium development goals the lynchpin of the compact that had emerged in Monterrey.

26. A broader debate was under way on how to fulfil funding commitments. The higher replenishment of international development assistance was an important step, as was the decision to turn some 20 per cent of such resources into grants. It was time for the donor nations to accord the same level of political commitment to funding for United Nations development efforts.

27. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund) said that the work on the issues of simplification and harmonization of rules and

procedures for operational activities for development was being led by a joint Working Group made up of a core team of senior staff from UNDP, UNFPA, WFP and UNICEF, guided by a full-time facilitator assigned to UNDG, and assisted by technical subgroups on financial policies, donor reporting and monitoring and evaluation. The Working Group was at all times driven by field-based programmatic considerations. It had studied key similarities and differences in the various ways of preparing and implementing country programmes, and the relative advantages and disadvantages. All agencies therefore now had a much better understanding of how each of them worked. The Working Group had identified 17 areas that could benefit from change, including national execution, harmonization of terminology, mid-term reviews, donor reporting and audit requirements. Its recommendations, set out in documents E/2002/59 and E/2002/CRP.1, appendix I, covered implementation modalities, policies, tools or practices. Heads of agencies would be responsible for areas of high priority where progress could be made relatively rapidly. Throughout, the aim would be to bring as much unity as possible to the diverse funds and programmes and to decide on good practices and good principles that could be adopted by each agency rather than searching for lowest common denominators. Taken as a whole, the proposals held great potential for reducing transaction costs for Governments, ensuring a better fit between UNDAF and country programmes, making United Nations programmes more effective, facilitating joint programming, improving transparency and accountability, and furthering national ownership and capacity-building.

28. Contact was being maintained with bilateral and multilateral partners to learn their own approach to harmonization and simplification. Consultation with key national and local-level partners was considered very important. Field staff familiar with day-to-day operations in a multi-agency environment were being asked for their views on proposals from the Working Group in an exercise that was designed to make the United Nations agencies more effective partners with Governments and other stakeholders.

29. **The President** invited the Council to put questions to the panel.

30. **Ms. Christensen** (Observer for Denmark), speaking on behalf of the European Union, welcomed the cooperation under way at the country level in the context of the CCA and UNDAF exercises. The panel should comment on measures being taken to enhance national ownership of the development process and to ensure an appropriate division of labour between the actors on the ground, particularly in the implementation of poverty reduction strategy papers. It was also important to ensure complementarity of action. The European Union supported the decision to facilitate joint monitoring mechanisms and welcomed the programme of work for the simplification and harmonization of the United Nations funds and programmes. The panel should further comment on the feasibility of the joint offices proposed.

31. **Mr. Korneev** (Russian Federation) said that the Council's practice of considering a consolidated list of issues should be continued since it fully accorded with its coordinating and leadership role in operational activities. UNDG also had a key function to play in the reform process. His delegation welcomed the inclusion of all agencies active at the country level within the Group, as well as the observer status accorded to the World Bank. It particularly valued the work of the agency members of the UNDG Executive Committee. The panel should also comment on the decision-making process within UNDG and on the nature of the World Bank's involvement. Further information on the potential for additional cooperation with the Bretton Woods institutions at the country level would also be appreciated, particularly in areas that were traditionally the domain of the specialized agencies, and in the light of the recent decision concerning the financing of the Bank's activities.

32. His delegation also welcomed the programme of work for the simplification and harmonization of the United Nations funds and programmes and endorsed the view that country programmes must provide the basis for such work. The panel should confirm that the various agencies were indeed adopting a programme approach and harmonizing their programme cycles.

33. He shared the view that the preparation of UNDAF was not suited to some 65 countries owing to the absence of a United Nations country team or to the specificities of a particular country situation. In that connection, the panel should identify mechanisms best able to ensure effective and coordinated work of United Nations agencies in post-conflict situations, such as in Afghanistan. Additional information on the simplification and harmonization of funding procedures would also be welcome.

34. **Mr. Rohmer** (Observer for Switzerland) said that he seemed to recall that the UNICEF Executive Board had discussed the follow-up to the special session of the General Assembly on children and taken account of it in its medium-term plan.

35. The consolidated list of issues, a very comprehensive one, could probably be shortened. For instance, the programme of work listing 17 areas in which the rules and procedures for operational activities for development could be simplified (E/2002/CRP.1, appendix I) seemed too ambitious. In the case of standardization of reporting, he believed it would be worthwhile to set up a small task force, including representatives of donor countries, to arrive at a broadly acceptable format, covering also reporting to donors.

36. The following week the World Bank would for the first time have available 20 per cent of its funding for grant investments, and the collaboration between the United Nations agencies and the World Bank on that score had to be discussed. Was the World Bank, for instance, going to use its grant money to expand into areas which thus far had been covered by the agencies? The issue should be included in the Council's regular review of the broad picture of bilateral and multilateral international development cooperation.

37. **Mr. Palu** (Australia) said that while the CCA and UNDAF were good examples of the progress already made by the United Nations system in harmonizing country-level approaches, he wondered whether there had been any advance in joint programming, which would be especially useful in countries where the United Nations presence was limited and would in any case be essential if the benefits of the United Nations system were to be fully realized.

38. **Ms. Bellamy** (Executive Director of the United Nations Children's Fund) said that UNICEF had indeed discussed the follow-up to the special session of the General Assembly on children. As to the recommendations for harmonization and simplification, they had in fact already been prioritized in the consolidated list of issues (E/2002/CRP.1) by assigning high, medium or low priority to each of the 17 proposals in appendix I. UNDG did not follow a formal system of voting and adoption of decisions but rather engaged in full discussions as a result of which certain actions were taken. It kept constantly in mind what was happening at the field level. In order to understand what was and was not working, UNDG planned to schedule country visits for later in the year. It hoped to gain a clearer idea of when it would be best to implement programmes jointly and when it would be preferable to plan and monitor programmes jointly but implement them separately. It was too soon to report on the question of joint offices, for the pilot mission to the Maldives the previous month had been the first such attempt. UNDG had already sent some guidance to the field on joint programming, but clearly its directives had to be more specific.

39. UNDG had not yet had an opportunity to study the new grant component of international development assistance. The World Bank would probably make every effort to get in first at the country level, especially now that it had the additional grant money at its disposal. The solution might be for donors to equalize the balance by giving more to the United Nations Funds and Programmes.

40. **Mr. Ziabre** (United Nations Development Programme) said that in its revision of the CCA and UNDAF guidelines, UNDG had stressed that the whole development approach had to be rooted in national planning precisely in order to ensure national ownership, and the guidelines clearly established how the link had to be maintained in the course of the country-programme approval process.

41. The interaction of the Bretton Woods institutions and the United Nations funds and programmes had greatly improved recently. The World Bank had joined UNDG in the discussions about best practices. At the country level, the United Nations funds and programmes were entrenched as stakeholders in the various countries, and the Bretton Woods institutions were participating with them. The United Nations agencies, especially UNDP, had been active from the start in the poverty reduction strategy paper (PRSP) process through their assessments of the levels and nature of poverty in the various countries. Many countries had subsequently joined the PRSP process with the guidance of the World Bank, which used the work of the agencies as seed material. The agencies had persuaded the World Bank that it could not both lead and monitor the PRSP process, and that their assistance was needed for the monitoring function. Indeed, the collaboration between the World Bank and the United Nations system in that area had been highly successful.

42. In conflict and post-conflict situations, UNDG had worked well with the Executive Committee on Humanitarian Activities and the entire United Nations family, especially in Afghanistan, under the leadership of the Seed Review Group.

43. UNDP would indeed like to see a wider debate on the question of international development assistance funding. While it was appropriate that the World Bank should have some grant funding at its disposal, it would be equally appropriate for the United Nations agencies, which until now had had to rely on grant money, to be given a more predictable funding base. Also, the question of any duplication should be considered in the context of the use of grants by both the Bretton Woods institutions and the agencies.

44. **Ms. Henkin** (Deputy Executive Director of the United Nations Population Fund), referring to the division of labour between the United Nations agencies and the World Bank in programme development, said that the agencies had a comparative advantage in the social sectors and issues and in monitoring, while the World Bank had a comparative advantage in the macroeconomic framework and fiscal issues.

45. Various agencies had in the past few years been using a multi-year funding framework and had introduced reforms in order to achieve a better and more integrated programme approach based on predictable funding. At its latest session, the UNDG Executive Committee had adopted a decision reminding Governments of the funding commitments they had made under the Plan of Action of the International Conference on Population and Development. Although no such funding had yet materialized, UNFPA had managed to improve its performance.

46. **Mr. Graisse** (Deputy Executive Director of the World Food Programme) warned that funds for development were dwindling and that WFP, for example, would have virtually no financial resources left by 2004 unless additional funding was provided.

The meeting rose at 5.05 p.m.

United Nations E/2002/SR.14

Economic and Social Council

Provisional

10 October 2002

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Substantive session of 2002
Operational activities segment

Provisional summary record of the 14th meeting
Held at Headquarters, New York, on Monday, 8 July 2002, at 10 a.m.

President:	Mr. Kumalo (Vice-President)	(South Africa)
later:	Mr. Rosenthal (Vice-President)	(Guatemala)
later:	Mr. Kumalo (Vice-President)	(South Africa)

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Operational activities of the United Nations for international development cooperation (*continued*)

(a) Progress report on the implementation of the triennial comprehensive policy review

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02-46583 (E)

In the absence of Mr. Šimonović (Croatia), Mr. Kumalo (South Africa), Vice-President, took the Chair.

The meeting was called to order at 10.25 a.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Progress report on the implementation of the triennial comprehensive policy review (E/2002/47 and Add.1 and 2, 58, 59 and 60; E/2002/CRP.1)

1. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), introducing the reports of the Secretary-General on progress in the implementation of General Assembly resolution 56/201 (E/2002/47 and Add.1 and 2), on United Nations system support for capacity-building (E/2002/58), on simplification and harmonization of rules and procedures for operational activities for development (E/2002/59) and on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60), said that the reports were intended to be read in conjunction. The management process for implementation of the resolution had been set out in table form in E/2002/47/Add.2 for ease of review.

2. Increasingly, the operational entities of the United Nations system were being called upon to perform a more focused task based on the outcomes of major United Nations conferences, crystallized in the United Nations Millennium Declaration, and at the same time reflecting country priorities. A key need was to ensure the adequacy of resources. The commitment to increased assistance levels expressed in the Monterrey Consensus was only a first step. Given the present stress on development partnership, rather than development assistance, national capacity was crucial. The United Nations system could not achieve the Millennium development goals without a corresponding capacity-building effort at the national level.

3. In addition, the United Nations needed to do more to focus its efforts at the field level. True, progress had been made through the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and coordination with countries' own poverty reduction strategy papers had facilitated relations with the Bretton Woods institutions. However, greater efforts were needed to harmonize and simplify procedures, which constituted a heavy burden on developing countries. Lastly, a greater emphasis was being put on the impact of programmes, in other words, on measuring results, a topic dealt with in particular in the report on assessing the effectiveness of the operational activities (E/2002/60).

4. **Mr. Vallenilla** (Observer for Venezuela), speaking on behalf of the Group of 77 and China, said that United Nations operational activities, a vital tool for development, should be universal, voluntary and neutral, flexible enough to meet the needs of the developing country and in keeping with the country's own development policies and priorities. Since national Governments bore the main responsibility for coordinating operational activities, they should be fully involved in the formulation of the UNDAF, and the CCA should be used as a means to strengthen national analytical capacity.

5. The Group was strongly in accord with the Secretary-General's emphasis on the need to support developing countries in achieving higher development goals while adjusting to a continuously changing world and coping with the effects of the slowdown of the world economy. The commitment that had emerged from world conferences to an alliance for development to meet the challenge of capacity-building needed to be strengthened and made permanent through joint effort. The developing countries were making great efforts at the national level, and at considerable sacrifice, but donor countries must also do their part. Moreover, without an adequate international framework to help channel and realize those efforts, little could be accomplished. The intergovernmental effort required solid international institutions in support of development, a framework embracing not only the United Nations funds and programmes but also the Bretton Woods institutions and the World Trade Organization (WTO), as agreed in the Monterrey Consensus adopted by the International Conference on Financing for Development. Every effort should be made in particular to support national poverty reduction strategies.

6. The Group of 77 and China welcomed the unilateral commitments made at the Conference to increase official development assistance significantly. The stagnation or in some cases decline in core resources for operational activities for development

was worrisome. The lack of a sound financial basis would inevitably affect the ability of the system to confront the challenges to development, including the new challenges posed by globalization. An increase in funding earmarked for short-term or emergency activities could undermine countries' long-term development plans. The progress made with multi-year funding frameworks had raised expectations, which were yet to be realized. What was needed was a firm political commitment to achieving the development goals collectively agreed upon at recent United Nations conferences and embodied in the Millennium Declaration.

7. **Mr. Mizukami** (Japan) said that greater coordination was needed in order for the operational activities of the United Nations to contribute effectively, efficiently and tangibly to the realization of the Millennium development goals, which included new targets in terms of health, education, HIV/AIDS and the environment, in addition to the traditional goal of economic growth. His Government attached great importance to national ownership for development. Developing countries should formulate their own strategies and policies and implement them. Though ownership was not a panacea, sustainable development could not be achieved without it. The international community, including the United Nations, should provide assistance in a spirit of partnership.

8. Capacity-building played a critical role. In addition to its considerable financial contributions to the Human Resources Development Fund of the United Nations Development Programme (UNDP), his Government actively supported the development of human resources in developing countries by drawing on Japan's own development experience. His delegation expected each organization in the United Nations system to stress ownership and capacity-building in all its operational activities, with the ultimate objective of assisting recipient countries to develop the capacity to take them over and implement them on their own.

9. His delegation welcomed the efforts of the United Nations funds and programmes to harmonize their programming and simplify the rules and procedures, but it should be borne in mind that the purpose was to lessen the burden on the recipient country and increase efficiency. It would be counterproductive if programme implementation were delayed or greater transaction costs were incurred as a result of concentration on aid coordination. Some caution was required in attempting to simplify bilateral assistance, since too hasty a move might result in a decrease in bilateral assistance without a corresponding increase in multilateral assistance.

10. Ideally, proof of the effectiveness of operational activities would be the achievement of the Millennium development goals, but there were methodological problems in establishing a causal relationship. It was more practical to set clear targets and indicators for each programme and project, and to set common targets and do a common evaluation for joint programmes.

11. **Ms. Løj** (Observer for Denmark), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, said that the United Nations system had made considerable progress in strengthening its capability at the country level to assist programme countries. Thanks to their normative expertise, operational mandates, neutrality and universal presence, the United Nations funds, programmes and specialized agencies were well placed to assist national Governments in attaining internationally agreed development goals. However, to achieve that ambitious development agenda, a collective endeavour by the entire international community was called for, and that recognition was reflected in the Monterrey Consensus.

12. The operational activities of the United Nations should assist national Governments to translate intergovernmental commitments into national development strategies. To measure the gradual realization of international development targets, benchmarks should be set at the national level, and those benchmarks could also be helpful in assessing the effectiveness of the operational activities. The European Union was very pleased with the outcome of the most recent triennial comprehensive policy review of operational activities for development.

13. The outcomes of international conferences and especially the Millennium development goals formed the basis for national poverty reduction strategies and for the UNDAF for a given country. An increasing number of developing countries were preparing poverty reduction strategy papers, which often became the overall framework not only for national development

efforts but for the supporting efforts of all bilateral and multilateral donors. The European Union was convinced that the United Nations system could add value in the preparation of the strategies. It believed that the CCA/UNDAF process should be firmly anchored in the principle of national ownership of development and fully integrated with the poverty reduction strategy papers, and it commended the United Nations Development Group (UNDG) for its efforts in that regard. In that light the European Union welcomed the World Bank's recent acquisition of observer status in UNDG and stressed the importance of reciprocal interest by the Bretton Woods institutions in the CCA.

14. The European Union strongly supported the efforts of United Nations funds and programmes to engage in joint programming and would welcome additional work on mechanisms for sharing funds. The programme of work as it stood was an ambitious undertaking, but the European Union also noted with great interest that some of the funds and programmes were, in addition, exploring the feasibility of joint offices in countries with a limited United Nations presence, and it would like to hear the results of the feasibility studies. The Union welcomed the central role of the UNDG Executive Committee in advancing the agenda of simplification and harmonization and looked forward to annual progress reports from the funds and programmes in that regard.

15. The Union subscribed to the recommendations contained in the Secretary-General's report on United Nations system support for capacity-building (E/2002/58), which would advance efforts to make capacity-building in the broadest sense the goal of technical assistance. Finding out what worked at the local level required an approach mindful of the specific national development context. Capacity-building had to be firmly rooted in national ownership, which was a sine qua non for sustainable development. Strengthening national capacities to achieve internationally agreed development goals should remain at the core of operational activities. At the session of the Council in 2004, the European Union would be interested in discussing proposals for benchmarks and indicators on capacity-building linked to the achievement of internationally agreed development goals, in line with the efforts to enhance results-based management. The results of the exercise should then be fed back into the programming cycles of the various agencies.

16. Although the European Union agreed with many of the principles presented in the Secretary-General's report on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60), it would like further clarification on the purpose of such assessments and more practical proposals for increasing the usefulness of field-level assessments to the United Nations country teams and recipient Governments involved. The Union attached great importance to the continuous improvement of instruments of monitoring and evaluation as a means of ensuring that stakeholders forged tighter links between lessons learned and policy decisions. A wide range of actors within and outside the United Nations system should be involved. A participatory approach should be applied to all evaluation activities, so that findings could be incorporated. At the same time, external support and technical input would enhance credibility. In that regard the European Union would encourage increased collaboration with development research centres. The Secretary-General might wish to consider commissioning an independent study of the assessment capacities in the United Nations system, to be reported on at the next substantive session of the Council.

17. In general, the European Union would recommend strengthening linkages between the United Nations and the Bretton Woods institutions, particularly in aligning the CCA/UNDAF process with poverty reduction strategy papers; moving forward with the work programme on simplification and harmonization, particularly in terms of joint programming; developing specific benchmarks and indicators for capacity-building linked to the achievement of internationally agreed development goals; and reviewing the assessment capacity of the United Nations system.

18. **Mr. Akram** (Pakistan) noted that the triennial policy review had been adopted at a time of global economic downturn and a decline in the resources of the United Nations system for development. Despite the adoption of the Monterrey Consensus, the situation had not greatly improved.

19. The reports contained some useful proposals for increasing the effectiveness of United Nations operational activities. His delegation agreed that enhanced coordination at both the field and

headquarters levels was useful. However, not all agencies needed to coordinate with all others in all areas; the criteria of relevance had to be applied. Secondly, coordination bodies should avoid imposing priorities on national Governments. Pakistan, for example, was implementing a poverty reduction strategy paper; it had ownership of that paper because it had been formulated through the country's own structures. The United Nations funds and programmes should be in a position to provide help to developing countries that needed it to build the capacity to formulate their own strategies.

20. Coordination could be used as a tool for imposing external views. UNDG had grown in size and had shifted its focus from coherence to other issues, some of which were peripheral from the perspective of developing countries. His delegation felt that UNDG should concentrate on coordinating the activities of its member organizations, avoid expanding its bureaucratic structure, ensure transparency and be subject to oversight through periodic reports to the Council on its activities and expenditures and the results it achieved. At the country level, the UNDAF process should be conducted according to the principles of national ownership and full government participation in all stages and should be subject to intergovernmental oversight through a reporting obligation.

21. His delegation welcomed the efforts to introduce proper evaluation mechanisms but believed that assessments should be made against the development objectives of the country concerned and should be carried out by someone other than the implementing agency.

22. The key problem remained the inadequacy of the resources available to the United Nations system. There was a catch-22 mechanism operating whereby core resources were declining, undermining the smooth functioning of the development organizations, at the same time that donor countries were making increased funding conditional on the effectiveness of those organizations. Their effectiveness was further undermined by the trend towards pledging special-purpose funds at the expense of core resources. The identification of priority themes by donors constituted a prescriptive approach that negated the principle of ownership of development programmes. If ownership was a principle all could uphold, then resources should be made available to meet the needs identified by the recipient countries.

23. **Mr. Fedotov** (Russian Federation) said that, in order to reach the goals established in the Millennium Declaration and other landmark decisions, United Nations agencies would need to: further coordinate their activities; develop joint system-wide strategies; improve their operational activities at country level; enhance existing partnerships while developing new ones, especially with the private sector; and mobilize adequate financing. The key was to ensure country ownership and to mainstream programme activities into national priorities and plans.

24. Inter-agency coordination was improving: the network of field resident coordinators had been consolidated, UNDG had intensified and updated its activities at the office level, agency programmes and procedures had been harmonized and streamlined, cooperation with the Bretton Woods institutions was improving, particularly at country level, and the process was far from over.

25. He supported the continued efforts to incorporate, as appropriate, the CCA and UNDAF into country-level activities, with the active participation of as many United Nations agencies as possible and under the leadership of recipient Governments. However, he questioned the expediency of universal use of UNDAF, particularly in countries with low levels of programme resources. Further attention should be given to harmonizing programme cycles and guidelines for the development and approval of country programmes by streamlining and unifying them and reducing administrative and other costs.

26. He endorsed the promotion of greater cooperation with the Bretton Woods institutions on the basis of complementarity of effort and efficient division of labour with due regard for the relevant mandates and comparative advantages of the organizations concerned. Particular attention should be devoted to ensuring greater harmony between the CCA and UNDAF, on the one hand, and the Bretton Woods strategy papers aimed at combating poverty, on the other, and to integrating those instruments into national poverty eradication strategies. He noted with interest the Secretary-General's recommendation that the United Nations system should formulate proposals on benchmarks and indicators for capacity-building and report thereon to the Council by 2004 and that United

Nations system organizations should conduct a more systematic sharing of their experience (E/2002/58, paras. 36-37).

27. Recipient countries' capacities to monitor their programmes, projects and funds should be strengthened. Assessments should focus on progress in integrating operational activities into national development efforts and increasing the impact of United Nations activities at country level, taking global and regional aspects into account. He noted the important role of the Department of Economic and Social Affairs (DESA) in that regard. The expanding activities of the Organization's programmes and funds, in cooperation with other development partners, must be closely coordinated with national development plans and priorities and the entire process, including the preparation of reports, should be owned by the recipient Governments.

28. Lastly, in cases where disaster relief, rehabilitation and development overlapped, a coordinated approach to assistance was of the utmost importance. The current lack of comprehensive post-conflict rehabilitation strategies should be given priority consideration.

29. **Mr. Zhang** Yisan (China) welcomed the progress made by United Nations funds and programmes in mobilizing resources, preparing CCAs and UNDAFs and ensuring field-level coordination. However, the current level of core resources was still far from the target set in the multi-year funding framework. Normal development activities had been undermined and recipient countries' needs increased, while operational activities for development had gradually weakened. Unless that situation was corrected, it would be difficult to reach the goal of halving poverty by 2015. He hoped that the International Conference on Financing for Development, at which developed countries had expressed the desire to raise their levels of official development assistance (ODA), would inspire the funds and programmes to further efforts at resource mobilization.

30. Despite progress over a 20-year period, the process of simplifying and harmonizing rules and procedures governing operational activities for development was far from over. The complex procedures of, and lack of harmony among, the funds and programmes placed increasing burdens on recipient countries and contributed to inefficiency and skyrocketing costs. He hoped that further efforts would be made in that area and that past success in some sectors would be used to bring about change in the future.

31. Owing to the inequitable international economic and trade systems, the economic development of some countries had been slow and, in some cases, regressive. Most developing countries had high expectations of the operational activities for development of the United Nations system. However, the funds and programmes were crippled by insufficient core resources to the point that the interests of developing and least developed countries were being seriously harmed.

32. Lastly, he was pleased that the funds and programmes viewed capacity-building as an inseparable component of poverty eradication, economic growth and sustainable development. However, capacity-building was also country-driven, and each country's plan should be consistent with its local conditions and national characteristics.

33. **Mr. Palu** (Australia) said that his Government supported the Monterrey Consensus on the roles of governments, donors and international institutions in mobilizing and effectively utilizing all resources for development. Australia's aid budget for 2002-2003 was 3 per cent larger than that of the previous two-year period; however, it was crucial for developing countries to use their own financial resources effectively and to develop an enabling environment for the effective use of both international and domestic resources.

34. The stagnation in the provision of core resources and the growth in earmarked funding reflected a global trend to assess the performance of United Nations agencies more critically in the light of past performance and to require them to demonstrate their effective use of aid funds and their contribution to outcomes. United Nations agencies must ensure the maximum efficiency, effectiveness and relevance of their operations.

35. He welcomed the progress in reforming the United Nations system and endorsed the importance attached to national ownership and the efforts made to reduce the administrative burden on Governments. In particular, he commended the implantation of the CCA and UNDAF processes and efforts to harmonize programme approval processes, strengthen field-level coordination and the resident coordinator system and

enable United Nations agencies to share premises and administrative services in the countries concerned. He also supported efforts to enhance cooperation between the United Nations system and the Bretton Woods institutions.

36. However, more should be done to integrate the evaluation functions of the various agencies and funds in order to assess development outcomes for the overall United Nations system at the country level and to benefit from lessons learned by different parts of that system. Greater efforts must be made to achieve genuine gender equity and to ensure that gender considerations were fully integrated into all programmes and activities and that progress was reported. The CCA and UNDAF processes should take regional perspectives more fully into account and the work of the United Nations system should be further harmonized in countries where it had a limited presence. He encouraged moves towards joint offices and programming, particularly but not exclusively in countries where the total United Nations presence was not substantial, and urged consideration of genuine regional programmes in areas where limited funds cast doubt on the cost-effectiveness and impact of country-specific programmes.

37. **Mr. Siv** (United States of America) said that, while his delegation looked forward to the results of the improvements in the CCA/UNDAF process, he was not reassured by the Secretary-General's use of the conditional tense in describing the potential of that process (E/2002/47, para. 23). Some 101 CCAs and 53 UNDAFs had been completed at substantial cost to the United Nations system. Those tools could not be stand-alone exercises; they must relate to other development frameworks, including the poverty reduction strategy papers. He encouraged the funds, programmes and specialized agencies to ensure meaningful government participation and close consultation with other development partners.

38. It would be desirable for the CCAs to be able to identify the overall capacity-building needs of specific countries. In the past, capacity-building had not always been sustainable. Developing countries themselves must develop and maintain institutions capable of continuing transformation, and capacity-building must be an explicit goal with its own targets and indicators. It was easy to determine from the report of the Secretary-General on the management process for the implementation of General Assembly resolution 56/201 (E/2002/47/Add.2) what each agency did, but not whether there was cohesiveness in its activities; for example, it was not clear whether the capacity-building efforts of the Economic Commission for Africa in the area of poverty reduction were coordinated with those of UNDP. He recognized that the system operated at a variety of levels, but frameworks and methodologies could nonetheless be developed to allow United Nations agencies and other multilateral and bilateral development organizations to analyse their practices in order to strengthen their collective and individual impact.

39. Generally speaking, the measures put in place to support the resident coordinator system were working. Complaints centred on the absence of resident coordinators in post-conflict countries, where they were most needed. He realized that those posts were difficult to fill but hoped that every effort would be made to ensure prompt selection and installation. Theme groups were becoming the most effective vehicles for field-level coordination. The concern that their proliferation might lead to a focus on coordination at the expense of programme activities was well taken but could be addressed by effective leadership from the resident coordinator. An example of the advocacy potential of such groups was provided by his Government's Ambassador to Lesotho, who, together with the resident coordinator, chaired the donors theme group on HIV/AIDS.

40. The Millennium development goals had provided opportunities for increased cooperation between the Bretton Woods institutions and the United Nations system. However, it was important to consider comparative advantages in order to avoid duplication of effort. He supported UNDG efforts to guide country teams in relating country-level experience gained from the CCA and UNDAF to the poverty reduction strategy paper process and the long-term undertaking to better incorporate a gender perspective into United Nations strategies. Lastly, the regional dimension of development could not be underestimated, especially for landlocked countries and countries with shared water sources. He welcomed the workshops and other forums being held in order to familiarize regional commissions with the CCA/UNDAF process and encouraged further cooperation in that area and in capacity-building and conflict prevention.

41. **Mr. Toscano** (Observer for Ecuador) said that UNDAF would enhance coordination between United

Nations agencies, bilateral and multilateral donors, civil society, the private sector and non-traditional partners and would increase the impact of development cooperation. The simplification and harmonization of rules and procedures, the strengthening of the resident coordinator system, the promotion of South-South cooperation in the areas of economics and technology, and contact with others working towards the same goals had given UNDG agencies useful management tools so that they could coordinate with the development strategies and priorities of recipient countries.

42. However, the international community must realize that political support for development cooperation would be meaningful only if donor countries met the target of 0.7 per cent of gross national product in financial contributions to UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and other United Nations agencies. Unless donors met the commitments made at the Millennium Summit and in the Monterrey Consensus, the international community would continue to mortgage its future to the debate on shared responsibility, which had had little real impact to date.

43. **Mr. Kolby** (Observer for Norway) said that the United Nations system had made progress in defining its role in international development cooperation and that General Assembly resolution 56/201 represented new and important challenges for the Organization.

44. Development cooperation must take a long-term approach to poverty reduction and conflict prevention and include human rights as an integral part of the effort. He welcomed the appointment of Mr. Mark Malloch Brown, Administrator of UNDP, as Chairman of UNDG and "scorekeeper" for the Millennium development goals, including democracy, human rights and meeting the specia. needs of Africa, and the support of the Bretton Woods institutions and WTO in planning a core strategy for meeting those goals.

45. All the funds, programmes and specialized agencies must participate actively in that process. Four of the goals concerned reproductive health, and he applauded UNFPA efforts to increase the focus on the social sector in national capacity-building and UNICEF advocacy to combat child mortality and safeguard children's rights. His Government had chosen education as its first development priority and was encouraged by the improved cooperation between the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNICEF and the World Bank in that area.

46. His delegation had been a strong advocate of the Secretary-General's reform process with a view to preserving and reinforcing the distinctive nature of the funds and programmes, and it looked forward to the new reform agenda that was expected to be presented soon. In order to meet the time-bound Millennium development goals, the United Nations system would need a more coordinated approach than in the past. The ultimate goal was to ensure that the Organization's development activities were integrated into national poverty reduction strategies. Another fundamental issue was the further streamlining and harmonization of programming procedures. He welcomed the elaboration by UNDG of common guidelines on joint programming and joint mid-term reviews and encouraged agencies to further implement the triennial comprehensive policy review.

47. National ownership should be ensured through Government involvement in UNDAF, with the participation of the Bretton Woods institutions, as an ongoing process rather than an event. In many ways, institutional development was synonymous with capacity-building. His delegation welcomed the strengthened focus on a coordinated response to crises and national disasters and stressed that the funds and programmes should participate in existing humanitarian coordination mechanisms. UNDP was particularly well positioned to bridge the gap from relief to development; the United Nations Assistance Mission in Afghanistan was an example of such a situation.

48. Norway's commitment to the United Nations was expressed through its membership in the Security Council and its support for the development activities of the funds and programmes. The most immediate way to build confidence in those activities was for the Organization to demonstrate improved impact at the country level, but it could not do so without adequate contributions. He therefore urged non-performing donors to increase their core funding as agreed in the Monterrey Consensus.

49. **Mr. Al-Nasser** (Qatar) expressed his delegation's support for the 20 recommendations outlined in the report of the Secretary-General on the triennial

comprehensive policy review (A/56/320). It was to be hoped that their implementation would help developing countries cope with the economic and social consequences of globalization and increase their participation in the world economic order. To that end, poverty eradication should be the centrepiece of the activities of the United Nations development system.

50. In addition to responding to the most recent trends in the world economic situation, including globalization, liberalization and technological change, the operational activities of the United Nations system should be result oriented. Reports on the status and results of given operational activities, including financial statements, would be useful in that connection. Operational activities should not be imposed on recipient countries but rather designed with full respect for national ownership and input from Governments on national development needs. Harmonizing development activities with national priorities was the key to effective reform of operational activities and development cooperation. National priorities should be indicated by the Governments of recipient countries, operational activities should be closely linked to national development programmes and policies.

51. Although numerous initiatives had been undertaken to improve the efficiency of the funds and programmes, the basic problem — lack of financial resources — persisted. His delegation was concerned over the seeming preference of donors for supplementary resources over core resources, and the steady decline in the latter. It feared that development activities were becoming a very low priority in donor countries.

52. **Mr. Balarezo** (Peru) expressed support for the programme of work for the simplification of rules and procedures (E/2002/59, para. 1), and for the management process for the implementation of General Assembly resolution 56/201 (E/2002/47/Add.2). It was to be hoped that, in future, progress and results would be reported regularly and in detail. His delegation also supported the report of the Secretary-General on United Nations system support for capacity-building (E/2002/58), although it would have preferred a more systematic report with more precise information on results achieved and further proposals on strengthening capacity-building in developing countries. Clearly, institutional capacity-building must be an integral part of all operational activities, and there was a need for mechanisms to help retain capacity in recipient countries. Peru supported all three clusters in the outline for an indicative work programme set out in the report of the Secretary-General on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60). The overall assessment must at all times be linked to an ongoing assessment of the resources and financing provided for operational activities. Without regular and predictable core resources to meet the requirements of recipient countries, it would be virtually impossible to attain the Millennium development goals or the goals of the recent International Conference on Financing for Development. Each of the three clusters of the overall assessment should have the same weight and importance, with special emphasis on sustained growth and sustainable development in cluster 3 on global and regional dimensions of operational activities.

53. Three points deserved particular emphasis. First, it was most appropriate that the achievement of the Millennium development goals should be evaluated not only at the national, but also at the international and regional levels. A subregional focus would be even more relevant and could be elaborated with input from the regional commissions and the regional development banking system. Second, his delegation attached great importance to the fulfilment of the programme of work for the simplification and harmonization of rules and procedures, which should be aimed at reducing transaction costs and achieving greater effectiveness and efficiency. It was not in favour of common-basket funding but would prefer to maintain flexibility in order to enable recipient countries to determine their own priorities and needs under their development programmes. National ownership should be the guiding principle of all external assistance, both multilateral and bilateral. Third, his delegation recognized the vital role played by UNDG in enhancing coordination of the activities of the agencies, funds and programmes. It attached great importance to the development by UNDP of guidelines for national progress reports on the achievement of the Millennium development goals and would appreciate information on the kinds of indicators to be used in evaluating progress at the national level, on whether the reports would be prepared in consultation with Governments and, above all, on the quality of the statistics utilized. Equally important was evaluation of progress at the international level, since achievement of the

Millennium development goals was a shared responsibility of all countries and of the international community. One of the Millennium development goals was policy coherence and coherence in trade, finance and monetary systems from a development perspective. In that context, the funds and programmes, including the UNDG Executive Committee, should participate in the Council's high-level segment with the Bretton Woods institutions and WTO.

54. UNDG should strengthen its ties with the World Bank and explore ways of coordinating its activities with regional and subregional development banks or, where appropriate, the International Monetary Fund (IMF), WTO and other international bodies. His delegation also hoped to see further strengthening of the resident coordinator system and believed that appointment and recruitment should be based strictly on professional ability and experience.

55. **Mr. Raubenheimer** (South Africa) stressed the importance of national ownership in the CCA and UNDAF processes, and of sufficient absorptive capacity and infrastructure in recipient countries to benefit from the development framework. Urging the speedy finalization of outstanding CCAs and UNDAFs, his delegation applauded the efforts taken to improve the preparation and quality of those instruments as well as the efforts of UNDG to enhance the overall quality and effectiveness of country-level coordination.

56. With regard to the resident coordinator system, his delegation hoped to see significant progress in the areas of training, gender balance and recruitment and tangible improvements in field-level coordination. In order to function effectively, personnel in the United Nations funds, programmes and agencies should be sensitive to the political and economic situations in the country and the region to which they were assigned.

57. The agencies, funds and programmes should help to bring about poverty eradication and sustainable development after enlisting the support of all levels of political authority. His delegation endorsed the recommendation that operational activities for development should be included in national development efforts but with the caveat that it was more difficult to implement programmes than to plan them. Sequencing was critical in programme implementation; without proper sequencing, an entire programme could become dysfunctional. Proper and regular evaluation would help detect problems early. South Africa also supported the concept of basing United Nations agencies, programmes and funds in a single United Nations house and welcomed the progress made in formulating guidelines in that regard.

58. His delegation agreed that capacity-building and its sustainability should be articulated as a goal of technical assistance provided by operational activities with the aim of strengthening national capacities (General Assembly resolution 56/201, para. 28). Capacity development should focus not only on the public sector but also on non-governmental and community-based organizations. It was important to maintain continuity and to find remedies for situations where human resource capacity was developed in a particular organization, only to be lost with the departure of staff members. Capacity-building also played a very significant role in the New Partnership for Africa's Development (NEPAD) in such priority areas as infrastructure, information and communication technologies, human resources and science and technology development.

59. The need for core resources on a predictable, and continuous and sustained basis remained. It was to be hoped that the positive spirit of the Monterrey Consensus would increase funding for the United Nations development system. Lastly, the effectiveness of operational activities should be assessed by their impact on poverty eradication, economic growth and sustainable development in recipient countries, as set out in the commitments, goals and targets of the Millennium Declaration.

60. *Mr. Kumalo (South Africa), President, resumed the Chair.*

61. **Mr. Chowdhury** (Observer for Bangladesh) said that his country had made impressive progress in the key areas of education, health, gender mainstreaming and empowerment of women, largely by harnessing its own intellectual resources for development but also with the active support of the United Nations system. Bangladesh had always believed that development policies should take into account the specific needs of countries and regions and that special attention should be focused on improving national capacity, responsibility and accountability. Thus, technical cooperation should focus on strengthening national capacities rather than using outside international expertise or procuring equipment tied to aid. In that connection, he stressed the importance of reversing the

decline in ODA, strengthening cooperation between the United Nations and the Bretton Woods institutions and ensuring greater consistency among CCAs, UNDAFs and poverty reduction strategy papers.

62. In view of the unique characteristics of operational activities, including neutrality, multilateralism and responsiveness to the needs of developing countries, it was his delegation's hope that the triennial policy review would address vital international issues equitably and in a democratic spirit. It also hoped that positive cooperation among the partners would lead to the expected impact at the country level, and that the effectiveness of operational activities would be assessed in terms of their progress in implementing the Millennium development goals, particularly in the areas of poverty, economic growth and sustainable development. Appropriate mechanisms should be developed for implementing the recommendations continued in the reports of the Secretary-General on capacity-building and on harmonization and simplification of rules and procedures for operational activities for development (E/2002/58 and 59). To that end, the Council should provide clear policy guidelines to the funds and programmes in accordance with its supervisory role.

63. **Mr. Gopinathan** (India) said that, while it was important for operational activities to adapt to a changing world, they must maintain and strengthen their fundamental characteristics of being country-driven and focused on national priorities. His delegation hoped that, despite resource constraints, interventions which addressed the human, physical and financial asset base of the poor would be preserved as aspects of capacity-building, thereby enabling recipient countries to experiment with innovative solutions, and generate solutions that could be replicated.

64. There was a risk that donors' most recent concept of capacity-building — advocacy, policy advice and monitoring — could be misconstrued by recipient countries. Advocacy for the purpose of encouraging changes in laws and social practices could be perceived as criticism of the countries of the South or as implying a moral superiority of the donor community. Advice from the outside was not always welcome because it highlighted the inequality of power and could become blurred with decision-making. Monitoring could be seen as finger-pointing and obliviousness to the scarcity of resources in recipient countries. Thus, a standardized approach to the term "capacity-building" would be acceptable only if it was broad enough to embrace the diverse requirements of developing countries. Anything less than that could deviate from the country-driven approach fundamental to operational activities.

65. His delegation hoped that the funding of development assistance would increase following the International Conference on Financing for Development, and that a substantial part of it would be delivered through operational activities. It could support the methodology and work programme for carrying out the overall assessment of operational activities (E/2002/60, sect. III).

66. **Mr. Mwakawago** (United Republic of Tanzania) expressed his delegation's full support for the statement made by the observer for Venezuela on behalf of the Group of 77 and China. Over the past 15 years, his country had been carrying out economic, social and political reforms with the aim of achieving sustained economic growth and poverty reduction. Its national strategic priorities for poverty reduction were reflected in its poverty reduction strategy paper and the Tanzania Assistance Strategy, which the United Nations system had agreed to use as the basis for the CCA and UNDAF. Implementation of those instruments, however, would not be possible without strong new partnerships and adequate, predictable and regular funding through an increase in the core resources contributed to the funds and programmes.

67. Despite budgetary constraints, his Government had increased its allocations for primary education, health and water and would appreciate support from development partners and other key stakeholders in meeting the Millennium development goals. Estimates based on a recent household budget survey already showed improvements in a number of relevant indicators.

68. His delegation agreed that capacity-building played a central role in operational activities and achieving the goals and commitments of the major United Nations conferences. In that context, support for the process of upgrading skills and imparting new skills in the developing countries, particularly the least developed countries, was urgently needed. As for the harmonization of the procedures of the funds and programmes at the field level, he expressed the hope that transaction costs for recipient countries would be

further reduced in order to maximize the effectiveness of the United Nations system at the country level.

69. **Mr. de Moura** (Brazil) said that his delegation associated itself with the statement made by the observer for Venezuela on behalf of the Group of 77 and China. He urged the Council to seize the opportunity for dialogue among development partners that had been created at the International Conference on Financing for Development, in order to ensure that Member States and the organizations of the United Nations system continued along the path of engagement, innovation and action in strengthening United Nations operational activities for development. The efforts of the developing countries to achieve sustainable development should be complemented by partnerships at the international level to ensure additional resources, technology transfer, access to markets in developed countries, and capacity-building.

70. Effective development cooperation required adequate, predictable and stable financial resources, but the first progress review of the implementation of General Assembly resolution 56/201 had shown that the decline in both ODA and the contribution of multilateral organizations had affected development activities in many countries.

71. His delegation welcomed the UNDG work plan of 2002 and the associated revision of the CCA and UNDAF guidelines with a view to integrating lessons learned from their recent evaluation. In the light of the enormous burden imposed on recipient countries and United Nations system organizations by the complexity and diversity of procedural requirements, it was imperative to simplify and harmonize rules and procedures. His delegation also recognized the progress that had been made in bringing about closer cooperation between the United Nations system and the Bretton Woods institutions and urged continued effort in that regard.

72. Technical cooperation was a vital instrument in enabling countries to make the transition to sustainable development. Brazil had been involved in technical cooperation with developing countries throughout the world, and his Government was convinced of its value. Further support for such cooperation from the international community and from donor countries in particular was urgently required.

73. In closing, he noted the contribution of United Nations programmes, funds and agencies to development efforts in Brazil, citing programmes in the areas of education and poverty eradication as examples of that positive relationship.

74. **Mr. Kazemi-Kamyab** (Islamic Republic of Iran) said that his delegation associated itself with the statement made by the observer for Venezuela on behalf of the Group of 77 and China. It called on the United Nations to continue to make poverty eradication the main pillar of its operational activities and urged the international community to devote part of the projected increases in ODA to strengthening the resource base for the operational activities of the United Nations system, as well as to supporting the multilateralism that was the cornerstone of international development cooperation.

75. In view of the major role of capacity-building in efforts to achieve poverty eradication, economic growth and sustainable development, his delegation welcomed proposals for benchmarks and indicators for capacity-building to be formulated collectively by the United Nations system and in collaboration with recipient countries. The Tehran Consensus of 2001 had stressed the supreme importance of technical and economic cooperation among developing countries with sustainable capacity-building as a key goal, particularly in the context of South-South cooperation. His country stood ready to work with all stakeholders to strengthen institutions, bridge the knowledge and information gap, and build broad-based partnerships. However, such partnership and cooperation should be viewed not as a substitute for but as a complement to North-South cooperation.

76. Finally, he stressed that in the coordination of operational activities, national Governments bore the major responsibility for coordination of all assistance and developmental activities, and their ownership of the programmes and projects should be ensured. To that end, programme countries should participate fully in all phases of the design, implementation, monitoring and evaluation of development programmes and projects.

77. **Ms. Henkin** (United Nations Population Fund) stressed that the Fund, as a member of UNDG, was fully committed to supporting programme countries in their quest to achieve the Millennium development goals. It contributed to the attainment of those goals through its country and inter-country population and development programmes, which were especially

aimed at those countries furthest from the goals contained in the Programme of Action of the 1994 International Conference on Population and Development. The Fund was the lead agency for the implementation of that Programme of Action, in which the linkage between population, sustained economic growth and poverty was made explicit. Progress towards the Millennium development goals depended in part on progress towards the 1994 Conference goal of achieving universal access to reproductive health services and education.

78. UNDG member organizations were vigorously implementing all areas of the triennial policy review and the Secretary-General's reforms. The Fund was pursuing results-based approaches and implementing a multi-year funding framework, as well as improving management to make efficient use of scarce financial resources by encouraging innovation, learning, accountability and transparency. While progress had been made in simplifying and harmonizing programming cycles, joint programming, and the preparation of country programmes and budgets, some duplication of effort remained among coexisting initiatives. The new CCA and UNDAF guidelines developed by UNDG in the past year were expected to facilitate greater streamlining and increased country ownership.

79. Progress in achieving international development goals hinged on adequate financing, and new hope had been offered by the Monterrey Consensus. However, even though ODA was expected to increase by a cumulative total of $30 billion between 2003 and 2006, the Fund was confronted with a shortfall in resources that had necessitated a cut in programming funds in 2002. Within the context of its Multi-Year Funding Framework, the Fund had striven to obtain multi-year pledges in order to ensure g eater stability and predictability in its resources. Nevertheless, income projections had fallen, and the UNDP/UNFPA Executive Board had adopted a decision stressing the Fund's need for strong political and financial support as well as increased, stable and predictable core funding if it was to fulfil its mandate effectively. The Board also encouraged all countries, in the spirit of the Monterrey Consensus, to further their support for the Fund by making increased funding available, in particular to the Fund's core resources.

80. **Ms. Fleming** (World Bank) said that, following the Monterrey Consensus, there was a need to enhance the synergies built into the new development agenda, achieve greater clarity regarding each player's role, and address the shortage of practical, implementable measures and solutions. Operational coherence and effectiveness could help mend political divisions and provide a clear framework in which policy could be delivered and resources used wisely and effectively. That operational coherence could best be achieved through action balanced with patience and deliberate caution.

81. In the light of evolving strategies for poverty reduction, the Bank considered it imperative to support countries in a coherent way, and it urged them to seek appropriate input, experience and expertise from the organizations of the United Nations system to bring coherence to the strategy development process. The Bank had joined other organizations in recognizing the need for implementable and measurable country-level operational programming that was fully in line with countries' development needs and had begun to assign greater numbers of its staff to country offices in pursuit of that goal. The Bank's observer role in UNDG had already allowed it to clarify its assistance to countries in their own frameworks and through the Bank's institutional instruments, as well as to bring coherence and joint technical expertise to the process of developing realistic implementation plans for the Millennium development goals.

82. In recognition of the need to ensure appropriate institutional and country-level monitoring and measurement of results, the Bank had begun to refine a results-based management framework to strengthen linkages among strategy, implementation and evaluation, and it viewed its partnership with the United Nations as indispensable to that effort.

83. Remaining operational challenges included clarification of the new grant commitments formulated in connection with the thirteenth replenishment of the International Development Association resources for new financing commitments, enhancement of country-level institutional relationships, and harmonization of programming and budget cycles. The several joint pilot projects and agreements undertaken could function as important sources for the Bank's evolving inter-institutional understanding.

The meeting rose at 1.10 p.m.

United Nations E/2002/SR.15

Economic and Social Council

Provisional
11 October 2002

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Substantive session for 2002
Operational activities segment

Provisional summary record of the 15th meeting
Held at Headquarters, New York, on Monday, 8 July 2002, at 3 p.m.

Chairman: Mr. Kumalo (Vice-President) ..... (South Africa)

Contents

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Progress report on the implementation of the triennial comprehensive policy review (*continued*)

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02-46586 (E)

In the absence of the President, Mr. Kumalo (South Africa), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Progress report on the implementation of the triennial comprehensive policy review (*continued*) (E/2002/47 and Add.1 and 2, 58, 59 and 60; E/2002/CRP.1)

1. **Mr. Thoppil** (Observer for Canada) said that his delegation appreciated the efforts made to respond quickly and effectively to General Assembly resolution 56/201, on the triennial comprehensive policy review of operational activities for development. The revised guidelines for the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) were welcome, as were the guidance notes on the monitoring of the Millennium development goals and the support to the poverty reduction strategy paper process. The United Nations system must also help the developing countries meet the commitments they had undertaken in the Monterrey Consensus to pursue good governance and sound economic policies in order to create an enabling environment for the mobilization of domestic resources, foreign direct investment, trade and effective use of debt relief and other international assistance. His delegation also commended the efforts to strengthen the resident coordinator system through an improved selection process and the identification of more women candidates.

2. His delegation remained concerned at the difficulties encountered in mainstreaming the gender perspective in operational activities and hoped that measures would be taken to address the situation. It welcomed the emphasis on simplification and harmonization of rules and procedures for operational activities and supported the proposal to reconsider the content of the consolidated list of issues requested by the Council in its resolution 98/27.

3. **Mr. Zollinger** (Observer for Switzerland) said that the progress achieved in the United Nations reform process to date was remarkable, given the size and diversity of the Organization's operational activities, but more must be done to improve efficiency in an increasingly competitive environment. CCAs and UNDAFs remained key instruments of the reform process and should lead to joint and collaborative programming arrangements. Some progress had been made with regard to the "replacement effect" mentioned in document E/2002/59 (para. 16), and there was potential for much more.

4. With regard to simplification and harmonization, his delegation was pleased with the programme of work submitted by the funds and programmes. Switzerland had been an observer in a competency assessment exercise for resident coordinators, which, although costly, had been money well spent, as the qualifications of resident coordinators were of the utmost importance for the reputation and success of operational activities at the country level.

5. Capacity-building was a key function of the United Nations system that must be addressed through clear objectives and indicators in all CCAs and UNDAFs. It was also important to identify the results obtained and communicate them clearly; his delegation had therefore been disappointed that the report on United Nations system support for capacity-building (E/2002/58) had placed more emphasis on efforts than on results achieved. Moreover, the report on assessing the effectiveness of operational activities (E/2002/60) did not fully convince his delegation that the approach for the next assessment would be strengthened, and it disagreed with the views expressed on the use of results-based management.

6. Turning to the topic of funding, he noted that while resources for the World Bank and other institutions had been augmented, core contributions to United Nations funds and programmes had increased only marginally or even decreased. The United Nations should focus on policy development and capacity-building and leave the financing of programmes with major equipment and infrastructure components to the international financing institutions. The Economic and Social Council should be entrusted with the task of conducting regular reviews of development cooperation in general and of trends in bilateral as well as multilateral aid.

7. **Ms. Oh** Hyun-joo (Republic of Korea) welcomed the progress made in field-level coordination of operational activities, including the resident coordinator system and the United Nations house programme. In that connection, it was important that the relationship between the United Nations development agencies and the Bretton Woods institutions should be enhanced.

8. Her delegation saw simplification and harmonization as the keys to reform of operational activities and hoped to see further progress through common utilization of the CCA and the UNDAF. Joint programming and greater utilization of information and communications technologies (ICT) should also be encouraged.

9. As a key component of any development strategy, capacity-building was closely linked to national ownership and accountability. It was therefore crucial to involve countries in the entire process, from formulation to implementation to monitoring, since learning by doing promoted capacity-building.

10. Her delegation was concerned at the downward trend in core resources, which were the bedrock of development activities. As many Governments preferred to make earmarked contributions, the expansion of thematic trust funds might help to increase contributions by accommodating donor concerns without taking away from core resources. Technical cooperation among developing countries (TCDC), particularly in the field of ICT, also had a major role to play.

11. **Mr. Kulyk** (Ukraine) said that despite the progress achieved in some spheres of development cooperation, one of the main challenges — the problem of mobilizing core resources — remained unsettled. There had been some positive developments in stabilizing the United Nations Development Programme (UNDP) financially, but further steps were needed to ensure predictable and long-term resources for development. The results of the recent International Conference on Financing for Development should provide new impetus for further substantial increases in official development assistance (ODA).

12. His Government commended the work of the United Nations office in Kiev and believed that UNDP should continue to play the key role in coordinating the activities of all United Nations agencies in Ukraine, especially long-term projects such as the Chernobyl programme and the Crimea Integration and Development Programme. He welcomed the increasing involvement of United Nations funds, programmes and specialized agencies in activities to mitigate the long-term consequences of the Chernobyl disaster.

13. **Ms. Thomas** (Observer for Jamaica) said that the recent Monterrey Conference had highlighted the urgent need to mobilize new and additional resources for development, through both ODA and a more equitable distribution of foreign direct investment. Her delegation hoped that the commitments made in Monterrey would be translated into tangible gains for developing countries.

14. Despite reduced funding, the United Nations had made commendable efforts at the field level to synchronize its programming cycle and harmonize and simplify its rules of procedure. The impact of those reforms at the country level, particularly the CCA and the UNDAF, augured well for building partnerships and should pave the way for South-South cooperation, which allowed developing countries to share best practices and lessons learned. In that context, Jamaica fully supported efforts to mainstream a gender perspective in all United Nations programmes.

15. Capacity-building was central to sustainable development and must be addressed in a holistic, integrated fashion. It was a major component of all efforts to achieve the goals of poverty eradication, economic growth and sustainable development. The renewed focus on a bottom-up approach made it imperative to develop the requisite skills and expertise locally, which was why Jamaica believed that more attention should be directed towards capacity-building within the community of non-governmental organizations (NGOs), which were often involved with national development concerns at the grass-roots level. Her delegation also supported the UNDP Capacity 2015 initiative to address local capacity development needs and promote public and private sector partnerships at all levels.

16. The Jamaican Government had sought to make capacity-building a priority in its overall policy framework, especially in the areas of education, health and information technology. Partnerships between the public and private sectors in the areas of early childhood education and prevention of HIV/AIDS had been encouraged, as Jamaica firmly believed that a country's health and education status was a good indicator of its capacity for growth and sustainable development. In the area of information technology, emphasis had been placed on creating a knowledge-based society to meet the challenges of globalization. Information played a major role in national development, including Government accountability, transparency and public participation in decision-making.

17. Her delegation remained concerned about the asymmetrical relationship between donors and recipient countries. The goal of equal partnerships was

still distant, owing to the incompatibility of donor priorities with national development goals. National ownership of the development process could be achieved only if donors allowed recipient Governments to set the agenda for their own development.

18. **Mr. Djumala** (Observer for Indonesia) commended the progress made in reforming United Nations development activities but said that further revisions to the CCA and UNDAF guidelines were needed to improve coordination within the United Nations system. The Millennium development goals had also provided more opportunities for convergence between the Bretton Woods institutions and the United Nations system, but there should be fewer ad hoc consultations and a more institutionalized form of dialogue should be developed, in keeping with the spirit of the Monterrey Consensus.

19. Capacity-building, which was fundamental for development, should take place within the framework of national development plans and should be integrated with the resident coordinator system. The objective of sustainable development was to help national institutions develop the means to promote development and economic growth with little outside assistance. It should also be borne in mind that the sovereignty of Member States should not be infringed, nor should the principle of non-interference in the internal affairs of States be violated in pursuit of development.

20. His Government wished to reaffirm its support for the ongoing efforts to ensure that core resources for operational activities were available on a predictable, continuous and assured basis, since such resources helped to preserve the multilateral character of the United Nations system. The increase in foreign aid announced by leaders of donor countries at the Monterrey Conference and the recent agreement by the World Bank to extend more grants to low-income countries were encouraging signs that developing countries could count on the cooperation, support and solidarity of the international community. The current challenge, of course, was to transform that spirit into will and words into action.

21. **Mr. Dorji** (Bhutan) associated himself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China and reaffirmed *that operational activities should reflect the policies* and priorities of developing countries, in particular the least developed countries, in a flexible manner. The CCA and the UNDAF had fostered greater national ownership and participation as well as greater coordination, and he endorsed the Secretary-General's recommendation to further strengthen those mechanisms.

22. The decline in ODA, which had affected the operational activities of the United Nations system in many countries, was disturbing. Recent increases in funding for organizations such as UNDP, while welcome, fell severely short of the level required to meet internationally agreed development goals. Accordingly, he welcomed the commitments made at Monterrey to provide increased funding and urged the international community to channel part of that increase to the core resources of United Nations funds and programmes for operational activities.

23. He noted with appreciation the report of the Secretary-General on support for capacity-building (E/2002/58) and said that the efforts undertaken by the United Nations system in that area were encouraging. Capacity-building was critical, as it encompassed a myriad of interdependent issues, ranging from institutional and human resource capacity to infrastructure and private-sector development. Strategies developed must therefore have social, economic and political dimensions as well as deal with all aspects of capacity-building.

24. In his next report to the operational activities segment, the Secretary-General should give special consideration to the progress made in mobilizing adequate resources for development.

25. **Mr. Akinsanya** (Nigeria) recalled that General Assembly resolution 56/201 accepted the principle of country ownership, leadership and responsibility. The reports of the Secretary-General on the implementation of that resolution had identified four key roles for United Nations operational activities: helping developing countries achieve their development goals by integrating international development goals and targets into national priorities and strategies; capacity-building, to help developing countries meet the goals of the Millennium Declaration; stressing ownership by recipient countries of development cooperation efforts; and making the development efforts of the United Nations system more coherent, coordinated, efficient and effective.

26. The combination of the global economic slowdown, which had caused a steady decline in core resources for operational development activities, and donor countries' reluctance to provide additional

resources posed a serious challenge to efforts to achieve the Millennium development goals. Private non-core resources were no substitute for core resources, yet ODA levels were not commensurate with the developing countries' increased ability to use external aid effectively and efficiently. To succeed, the Monterrey Consensus would require the allocation of adequate resource, and he therefore welcomed the strong new political commitment to help developing countries achieve sustainable development and noted with appreciation the appeal for additional core resources for development activities.

27. Although a year was too short a time for a comprehensive review of progress, his delegation supported that review and other similar processes. However, there should be greater consultation and coordination between donors and the United Nations system on the one hand and field officers and national Governments on the other. The United Nations system should speedily address the issue of transaction costs, particularly in the areas of consultancy and environmental impact assessment fees.

28. General Assembly resolution 56/201 was clear on the need to train nationals of recipient countries and make them part of the development infrastructure. Experience in the field continued to reveal wide gaps between the cost of providing services and the real benefits of those services. Although the introduction of strategic instruments such as the CCA and the UNDAF had been a positive step, the United Nations Development Group should endeavour to coordinate those two instruments more effectively at the country level.

29. He welcomed the progress made in promoting a simplification and harmonization of procedures and in strengthening the resident coordinator system, in particular with regard to gender sensitivity, an area in which his Government had demonstrated its commitment by mainstreaming the gender perspective into national socio-economic planning and development. His Government remained committed to efforts to implement General Assembly resolution 56/201 more effectively.

30. **Mr. Valdés** (Chile) said he wished to associate himself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China. The Economic and Social Council had an important role to play in implementing the Millennium Declaration and the Monterrey Consensus; the former provided worthwhile guidelines for the work of the Council and the General Assembly while the latter constituted a first step towards dealing with the issues of development and the inequalities created by globalization. The programme of work of the World Summit on Sustainable Development should also contribute to United Nations efforts in the area of economic and social development.

31. Multilateral development aid was more important than ever and must be better managed and more focused, given the positive effect it had on the lives of millions. Accordingly, donor countries must strive to meet the Millennium development goals, and efforts must continue to be made to ensure that cooperation resources truly benefited the least developed countries.

32. Continued support must also be provided for programmes in middle-income countries which targeted the most vulnerable groups of society and sought to increase popular participation in policy-making and consolidate and expand human rights and democracy. In Latin America, for example, UNDP was promoting the development of public policies aimed at improving the lot of society's most vulnerable groups in a focused manner while obtaining optimum benefit from technical cooperation and assistance. The UNDP human development report had been a useful tool in that regard.

33. Multilateral cooperation programmes provided a foundation for progress and growth. Nevertheless, they could not replace individual societies' efforts to increase savings, strengthen their economies, consolidate the rule of law or develop participatory and democratic policies which made social development a collective enterprise.

34. **Mr. Ahmad** (Observer for Iraq) expressed appreciation for the reports of the Secretary-General and for the development efforts of the United Nations, particularly in the face of a global economic slowdown. However, he deplored the ongoing economic embargo against his country, which had greatly hindered development efforts there and had affected all segments of society, especially children, who constituted more than 43 per cent of the population. For example, the under-five mortality rate had increased and more than 1 million children had died in the 11 years since the beginning of the embargo. Children's health and education had been affected, and increasing numbers of children were forced to drop out of school because they could not afford schooling or had to work to help their families. Too little attention

had been paid to the suffering of the children of Iraq, and he wondered how such a situation could be tolerated at a time when the United Nations was stressing the protection of children and the promotion of human rights.

35. **Ms. Loemban Tobing-Klein** (Suriname) associated herself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China and stressed the importance of United Nations development goals. Her Government continued to work in close cooperation with the United Nations country team, civil society and NGO representatives and other stakeholders within the framework of the UNDAF process. A poverty reduction strategy programme, an environmental management and sustainable development programme and an HIV/AIDS strategy had been prepared for Suriname. The UNDAF was being developed in stages with the CCA, both of which were important operational tools for development partners.

36. The UNDAF, CCA and capacity-building efforts would play a key role in helping countries like Suriname prepare national Millennium development goal reports. Her delegation attached great importance to implementation of those goals and targets by 2015 but believed that strong support was needed from donors and international financial institutions such as the World Bank and the International Monetary Fund, which were preparing indicators in close cooperation with the United Nations and the Organisation for Economic Cooperation and Development.

37. She drew attention to several issues that her delegation considered to be a priority. Capacity-building must draw on available national expertise, with special attention paid to the brain-drain problem in the Caribbean. Donors must be encouraged to support the retention of trained personnel in their home countries rather than recruiting them to the developed world. Information and communication technologies must be mainstreamed into the development process, and her Government looked forward to taking advantage of international opportunities in that area. The education of boys and the reduction of their high dropout rates should be made a priority in the Caribbean region. Human rights should be viewed as an essential element of sustainable development and, lastly, ODA should be doubled to ensure implementation of the Monterrey Consensus.

38. **Mr. Sharma** (Nepal) associated himself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China. Operational activities were a fundamental aspect of the Council's work; through the triennial comprehensive policy review the Council guided United Nations development efforts and played a role in the implementation, monitoring and evaluation of the outcomes of international conferences such as the Millennium Summit and the Monterrey Conference.

39. Although capacity-building had been identified as critical for development, the steep decline in core resources had seriously crippled the Organization's ability to help needy nations. He therefore urged all Member States, especially the wealthy States, to increase their contributions to core resources. The rules and procedures for operational activities for development must be simplified and harmonized in order to avoid duplication, improve coherence and cooperation and achieve economies of scale. The CCA and the UNDAF would be helpful in achieving those goals. However, harmonization and simplification, while necessary, should not be implemented at the cost of undermining programme delivery, efficiency or effectiveness.

40. Resident coordinators played a key role in ensuring the effectiveness of operational activities, and he welcomed efforts to improve field-level coordination. Resident coordinators should also be given more authority to tailor programmes to local situations in order to improve development performance, and regional and gender balance should be ensured in the appointment of resident coordinators.

41. In the context of South-South cooperation, he expressed support for TCDC and urged that that initiative should be expanded. Increased cooperation among the countries of the South would send a strong message to development partners in the North that they needed to do more.

The meeting rose at 4.35 p.m.

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Economic and Social Council

Provisional

14 October 2002

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Substantive session of 2002
Operational activities segment

Provisional summary record of the 16th meeting
Held at Headquarters, New York, on Tuesday, 9 July 2002, at 10 a.m.

President: Mr. Kumalo (Vice-President) ..... (South Africa)

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Operational activities of the United Nations for international development cooperation *(continued)*

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02-46941 (E)

The meeting was called to order at 10.15 a.m.

Operational activities of the United Nations for international development cooperation *(continued)*

Dialogue with the United Nations system country team for Eritrea

1. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea) said that Eritrea had emerged from a thirty-year liberation struggle, and, following five years of independence, had fought a border war with Ethiopia. The difficulties caused by conflict had been worsened by drought and poverty, but the country had emerged from war with a unique combination of relative freedom from corruption, crime and social disintegration. Its people had demonstrated great commitment, and its ability to cope with humanitarian crisis had been considerable.

2. Sectoral working groups had been conceived to help with the humanitarian response to the situation in the country, and thematic groups had been set up at the same time to draw up a common country assessment (CCA) for Eritrea. Subsequently, as the focus on humanitarian response had given way to a focus on sustainable development, the sectoral working groups had begun merging with the thematic groups for the purpose of implementing the United Nations Development Assistance Framework (UNDAF) for Eritrea.

3. **Mr. Woldegiorgis** (Eritrean Relief and Refugee Commission (ERREC)), presenting the overall situation in Eritrea and the priorities for action there, said that the country's modern history had begun with the colonial period. Italy had ruled Eritrea from 1890 until 1941. Ten years of British administration had followed. In 1952, Eritrea had federated with Ethiopia. An independence struggle had begun in 1961, and Ethiopia had annexed Eritrea in 1962.

4. Thirty years of war had ended in 1991, with the establishment of a provisional government. Eritrea had become an independent nation in 1993, following a referendum, and it had joined the United Nations and the Organization of African Unity (OAU) the same year.

5. The Government's priorities for 2002 and 2003 reflected continuing humanitarian and reconstruction needs. Eritrea was a least developed country, and was one of the four countries with the lowest human development index levels. To those priorities were added the task of restoring a stable fiscal and macroeconomic framework to pursue the millennium development goals, and the costly matter of demobilizing soldiers and reintegrating them into the economy. The Government's longer-term priorities were to draw up a poverty reduction strategy paper (PRSP) based on a comprehensive poverty assessment and wide public consultation.

6. **Mr. Balslev-Olesen** (United Nations Children's Fund (UNICEF)), describing the complex emergency in which Eritrea had found itself since 1998, said that conflict and full-scale war had caused difficulties which had been compounded by drought. After five years of independence, which had brought social and economic progress and good relations with neighbouring Ethiopia, a border war had erupted in May 1998, rapidly spreading along the 1,000-kilometre frontier. A massive displacement of population and the drought had had immediate effects on food production, as farmers were deprived of access to their land. Initially, food distribution and the country's own coping mechanisms had contained the problems, but subsequently the situation had worsened, giving rise to food shortages and malnutrition and increasing the number of internally displaced persons. Internal displacement had also caused overcrowding and strained local resources in all sectors. Although an Agreement on Cessation of Hostilities had been signed in June 2000, currently half of the population, amounting to one and a half million people, remained affected by the same problems, and the country was having to cope not just with internally displaced persons, but also with resettling returning refugees.

7. The lack of basic health services, water supplies and sanitation had increased the spread of communicable diseases, and many were suffering from psychological trauma. Food production remained affected by lack of access to agricultural land because of landmines and drought, many people of working age had been diverted to military duties, and trade had been badly disrupted. One third of the population was dependent on food aid. Education had suffered too, as many teachers had joined the war effort, and the pupil-teacher ratio had increased.

8. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea), describing the coordination of humanitarian activities in Eritrea, said that six sectoral

working groups had been set up to cope with the emergency situation and had evolved into thematic groups. Their activities were underpinned by an information and coordination centre operating under the authority of ERREC and the Office of the Resident and Humanitarian Coordinator. The common characteristic of the thematic groups was that they were chaired by the Government of Eritrea and the appropriate lead United Nations agency. The thematic groups used a coordinating structure which in some cases encompassed a full range of representatives (United Nations, the Government, civil society organizations, non-governmental organizations and donors), and in other cases included only some of those representatives. Information-sharing arrangements included monthly donor updates, fortnightly humanitarian updates and weekly regional situation updates, and a "Who does What Where" ('3W') database. Field visits involving United Nations agencies and donors also took place.

9. As a result of coordination, duplication and competition for resources had been reduced, responses had been made easier, planning had been improved, and access had been obtained to United Nations Mission in Ethiopia and Eritrea (UNMEE) logistical resources for monitoring, assessment and evaluation. Those efforts had provided a strong foundation for the development of the UNDAF for Eritrea. There had been constraints, however. All partners had suffered from a lack of human resources, information had been insufficient and slow and there had been funding shortages and delays. Moreover, the extent of the crisis had always been difficult to gauge. It had spread faster than expected, and by 2000 there had been no coordination mechanisms left in the country. Lessons had been learned from the coordination process. They included awareness of the need for the Government to be prepared for emergencies, the importance of a United Nations Office for the Coordination of Humanitarian Affairs (OCHA) presence, and the positive effect of close collaboration between the United Nations country team and UNMEE. In addition, the attention of the humanitarian aid staff had been so focused on the emergency that the thematic group dealing with return and recovery had never become operational. That group had been revived in the context of the UNDAF, however.

10. **Dr. Nsue-Milang** (World Health Organization (WHO)) said that the health and nutrition thematic group consisted of representatives from the Ministry of Health of Eritrea, United Nations agencies, ERREC, bilateral donors, non-governmental organizations and the Red Cross movement. The thematic group had used coordination as a way to improve the response to the problems of the emergency situation. It had sought to address the health and nutrition needs created by the emergency, monitor the state of health and nutrition in camps for internally displaced persons and among the host population, share information on that situation with the appropriate agencies and donors, and mobilize enough resources to cope with health and nutrition needs. In some cases, agencies had had to reprogram their core resources to provide a suitable response. The thematic group had sought to estimate the number of displaced persons, identify disease patterns, examine resources and logistics and assign roles and responsibilities. It had been decided that all services should be delivered through the local health-care system. Action had included immunization against measles for children, supplementary feeding for women and children, and a focus on the major communicable diseases.

11. Achievements had included targeted responses based on structured assessments, mobilization of enough resources to meet the shorter-term needs of displaced persons and reduction of malnutrition and disease. There had been constraints, however. There had initially been duplication of effort between the Ministry of Health and humanitarian organizations, reserves of drugs and consumables had been low, water had often had to be trucked into camps, and donors had often reduced support to areas other than food aid, forcing the agencies involved to reassign their own resources.

12. **Mr. Campbell** (United Nations Population Fund (UNFPA)) said that the country team had found certain simple assessment and planning tools very useful in prioritizing health interventions during the humanitarian response to the crises. Rapid assessments of critical strategic areas of health and nutrition, such as malaria incidence, reproductive health and child health, had provided a sound basis for joint efforts with the Ministry of Health.

13. One of the critical needs in a crisis or post-crisis situation was to determine where the vulnerable populations were located and in what numbers, in order to plan delivery of services. The demographic profile of internally displaced persons, a chart which matched

camp locations with columns showing a breakdown of target populations into the categories of men, women, children under 15, children under 5 and lactating and pregnant women, had proved to be a flexible coordination tool, although the figures had shifted almost daily during the crisis. The baseline demographic and target population data had been useful for interventions for water and sanitation as well.

14. Another useful tool, based on those population estimates, was the financial shortfalls chart, setting out the estimated operating costs of providing certain key services, for example, measles vaccine, vitamin A capsules, supplementary feeding and safe motherhood/emergency obstetric care. For each category the chart showed amounts disbursed and pledged, as a total and separately for the agencies, and highlighted the difference between required and disbursed resources under the "Gap" column. The chart helped identify areas where resources could be shifted between programmes and where fresh resources needed to be mobilized.

15. The fact that some partners were unable to share financial data or were providing in-kind contributions and technical assistance, difficult to quantify, acted as a constraint. Nevertheless, the main lesson learned was that simple tools could be useful in identifying vulnerable populations, targeting services and assessing resource requirements during a crisis.

16. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea), describing the transition from humanitarian response to sustainable development, said that even during the full-scale war and massive humanitarian response in Eritrea in 2000, the CCA/UNDAF process had gone forward with the appointment of the CCA Steering Committee, the constitution of thematic groups and the assembly of data. The final draft of the CCA had been in preparation as the peace process had been getting under way. The CCA stressed poverty reduction as the framework for all future interventions, discussed the analytical areas of governance, economic growth, food security, health and education, among others, and identified as cross-cutting issues gender, environment, capacity development and vulnerable population groups. The CCA/UNDAF process had continued in 2001 alongside peace-building efforts and was marked by the holding of a stakeholders workshop, the appointment of the UNDAF Steering Committee, the harmonization of United Nations Development Programme (UNDP), UNFPA and UNICEF country programmes covering the period 2002-2006 and the drafting of the UNDAF document. As peace-building had continued in 2002, the UNDAF document had been negotiated with and endorsed by the Government and launched on 15 May, followed by the first meetings of the thematic groups on recovery and on health and nutrition.

17. **Mr. Campbell** (United Nations Population Fund), describing CCA/UNDAF coordination mechanisms in Eritrea, said that the United Nations country team's mission was to contribute towards fostering peace and good governance, achieving post-conflict recovery, strengthening basic social services, building sustainable livelihoods and stimulating equitable economic growth to promote the achievement of the overarching goal of poverty reduction. Its strategic objectives were to promote democratic governance, access to quality basic social services and pro-poor economic growth and sustainable livelihoods. In pursuing those objectives, the United Nations agencies had made a commitment to undertake joint programmes, participate in common monitoring and evaluation activities and strive to ensure transparent and accountable use of resources.

18. Four main thematic groups had been formed, with further division into subgroups. From the start the government body responsible for leadership of those groups, together with the lead United Nations agency, had been identified. The process of determining which other partners should be involved was ongoing. Terms of reference had been elaborated for the Steering Committee, the thematic groups and subgroups and the task forces. The Steering Committee was the policy body, meeting twice a year. The eight thematic groups and subgroups, which met quarterly at the relevant Government Ministries, had ongoing responsibility. The task forces were formed for a limited duration to perform specific tasks. The sectoral working groups that had been established during the humanitarian crisis were being merged smoothly into the thematic groups.

19. With a view to programme monitoring and evaluation, a set of approximately 20 indicators for the health sector, narrowed down from an initial set of 448, had been identified in the UNDAF document for Eritrea. In addition, a number of the indicators for the millennium development goals applied to health, one of the most significant being the proportion of births

attended by skilled health personnel, since it related to one of the most effective ways to reduce maternal mortality and morbidity. Baseline data covering five years were available for Eritrea. The challenge the country team had taken up was to see an improvement in that percentage in each of the next five years.

20. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea) said that the UNDAF enabled all the United Nations system agencies to work together in a structured manner at the field level and provided a sound basis for rationalizing interventions so as to reduce duplication. One example of such streamlining had been the recent incorporation of the six humanitarian response sectoral working groups in the UNDAF thematic group coordination mechanism. The CCA/UNDAF process itself had facilitated the targeting of the most vulnerable groups and the identification of the sectors where the United Nations could add value. The three UNDAF strategic objectives were underpinned by indicators, which allowed for annual monitoring.

21. He noted that the CCA and the UNDAF had been prepared even as emergency interventions were under way, in an effort made possible by the presence of an OCHA support unit. Currently, as Eritrea moved out of the complex emergency phase, the demand for development support was increasing. It was to be hoped that the experience gained from humanitarian coordination would better equip communities for pursuing the achievement of the millennium development goals. He noted, in that connection, that beneficiaries themselves were becoming increasingly involved in humanitarian and development efforts. National ownership was a matter of principle for the Government, as was the complete integration of external resources with national efforts. Accordingly, the UNDAF emphasized capacity-building, which was one of the key cross-cutting commitments prescribed for all development partnerships in the country, the others being gender mainstreaming and HIV/AIDS.

22. On the basis of its experience in Eritrea, the country team had developed a number of conclusions and recommendations. First, given the uncertainty as to the magnitude of any crisis, it was imperative to have a contingency plan, a requirement that should be included in the terms of reference and operational guidelines of all thematic groups. Second, in order to address human resource constraints in times of crisis, partners should provide appropriate expertise on a short-term basis. Third, the capacities of line ministries and regional administrations should be enhanced through the provision of training and basic equipment, including information technology. Fourth, coordination mechanisms should be established from day one of the emergency, and existing UNDAF coordination mechanisms should be flexible enough to address crises as they arose. Lastly, in the light of the vital role of OCHA in support of the humanitarian coordination function during the complex emergency phase, the resident coordinator function should be similarly strengthened as the UNDAF process evolved.

23. In conclusion, he said that programme countries must take a leading role in development efforts, for without national ownership such efforts would not be sustainable, while donors must ensure that interventions were fully funded by establishing multi-year funding frameworks, and country programme teams must work towards joint implementation of programmes with a view to rationalizing interventions and facilitating the achievement of development goals.

24. **Mr. Vellano** (Italy) said that he would like to know more about the role of bilateral donors within the coordination framework and in particular the criteria for their involvement in thematic groups. He would also appreciate an assessment of the level of collaboration between the United Nations system and donor countries and the sectors in which they thought it could be improved.

25. **Mr. Acemah** (Uganda) said that, despite the recent conflict, Eritrea and Ethiopia shared historical and cultural ties and were grappling with common problems. He would therefore like to know how successful efforts at regional coordination had been and in what sectors.

26. **Ms. Whittenmore** (United States of America) asked whether internal funding flows had been slow for all agencies or only for some, what causes had been identified and what recommendations might have been made to Headquarters to improve the situation. Her delegation was pleased to hear how effective OCHA had been in Eritrea. With regard to the return and recovery group that had not become operational, she would like to know whether its absence had delayed needed activities or whether OCHA had been able to fill the breach.

27. **Mr. Campbell** (United Nations Population Fund) said, with regard to the role of bilateral donors, that in

discussions with the Government of Eritrea it had been made explicit from the outset that the UNDAF process was intended to be a dialogue between the Government and the United Nations system. However, donors with technical or financial input in any of the eight thematic areas were encouraged to become members of the thematic groups. Experience had shown that the sectors that benefited most from coordination were those where a multiplicity of actors were involved. The eight groups designated were in the sectors where the process would provide added value.

28. **Mr. Nsue-Milang** (World Health Organization) said that during the crisis bilateral donors concerned with the health sector, including the Italian cooperation agency and the United States Agency for International Development (USAID), had been members of the sectoral working group and had been swift to mobilize needed aid.

29. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea) said that regional cooperation among all the countries in the Horn of Africa was carried out within the framework of the Intergovernmental Authority on Development (IGAD). However, even during the conflict the country teams for Ethiopia and Eritrea had met to discuss how to minimize the humanitarian impact and, later, how to foster confidence-building efforts. In May 2002 for the first time the meeting of the two country teams had included national staff of the countries, and programmes had been considered to promote peace-building between the two countries. Efforts were being made, though on a limited basis.

30. **Ms. Jarawan** (World Bank) said that a recent meeting in Nairobi of practitioners concerned with HIV/AIDS, which had culminated in a decision to set up a network to share experiences, had included participants from Ethiopia and Eritrea.

31. **Mr. Nsue-Milang** (World Health Organization) said that under the Horn of Africa initiative there had been many regional meetings on health issues such as malaria and HIV/AIDS, in which representatives from Ethiopia and Eritrea had both participated. The country team was envisaging specific cross-border activities, such as a concerted campaign in border areas by both countries to eradicate polio.

32. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea) said that the lag in flows of financial resources was characteristic of conflict situations, where normal procedures could not keep pace with the rapid turn of events. However, the United Nations agencies had cooperated in that situation. For example, pending clearance of emergency funds pledged by Italy to be channelled through UNDP, UNDP had essentially advanced its own funds, using the direct execution modality.

33. During the height of the conflict, the return and recovery sectoral working group had not been operational because attention had to be diverted to supplying food and other life-saving initiatives, so that resettlement concerns had not been a priority. Since then, however, under UNDAF, a recovery thematic group had been formed to deal with rehabilitation, reconstruction and reintegration.

34. **Mr. Balslev-Olesen** (United Nations Children's Fund) said that between 200,000 and 300,000 refugees were expected to return to Eritrea from the Sudan in the period 2002-2003. While the Office of the United Nations High Commissioner for Refugees would ensure that their immediate needs were met, it would also be necessary to provide sustainable solutions for those returnees. Joint programming would be particularly important in that regard. He noted with satisfaction that the United Nations system agencies had agreed to hold joint assessment, planning, programming and donor meetings to consider the challenges of repatriation.

35. It was important to stress that all the agencies had developed procedures to ensure that they had the necessary financial resources to react quickly in emergency situations. UNICEF, for example, had set aside funds on which it could draw pending the inflow of cash from donors.

36. **Mr. Camanor** (United Nations Children's Fund) said, regarding the lack of resources for the non-food sector, that the international response had slowed in the second year of the humanitarian operation in Eritrea owing to a perception among donors that the emergency was over. In addition, new conflicts had broken out, and there had been a change in priorities, as the international community turned its attention to the HIV/AIDS epidemic.

37. **Mr. Campbell** (United Nations Population Fund) said that, during the humanitarian emergency, UNFPA had been able to secure the speedy conversion of core resources into humanitarian response resources, allowing for a rapid flow of cash. Moreover, on the

basis of the assessments described earlier, it had been able to decide on urgent interventions and mobilize the necessary supplies quickly; critical supplies were stored in warehouses and could be shipped at short notice. He noted that the variety of sources of humanitarian aid also implied a variety of rules, procedures, agreements and guidelines, and that greater harmonization would be to the benefit of all concerned.

38. **Mr. Andersson** (Sweden) said that, while he agreed that multi-year funding frameworks were a prerequisite for ensuring that resources were available on a predictable basis, it would be interesting to know how country teams would use those frameworks as tools for the development of the CCA and UNDAF processes. With regard to joint programming, he asked whether the different approaches and organizational cultures of the various United Nations system agencies in Eritrea were an asset or an obstacle. Lastly, he enquired whether any changes had been made to the country programmes for Eritrea following the finalization of the UNDAF and how the country team would use its experience of the CCA/UNDAF process in the preparation of the poverty reduction strategy paper.

39. **Mr. Nhongo** (Resident and Humanitarian Coordinator for Eritrea) said that the requirements for development activities in Eritrea in the context of the UNDAF amounted to $240 million, only 50 per cent of which would be funded from core resources. Yet, without predictable funding, it was difficult to do meaningful planning.

40. Joint programming required the United Nations system agencies to develop so-called common-basket funding arrangements; that was often problematic because of the agencies' diverse mandates and administrative and financial arrangements. The UNDAF, however, provided an opportunity for joint planning and monitoring, adding value to the agencies' activities.

41. **Mr. Balslev-Olesen** (United Nations Children's Fund) said that the magnitude of the humanitarian emergency in Eritrea had called for a coordinated response on the part of the United Nations system agencies. The cooperation established then had carried over into the UNDAF process. The Eritrean Government was a strong advocate of joint programming. Government ministries, given their scarce resources, were not able to deal with multiple agencies. For that reason, the thematic groups and subgroups were chaired by a single lead agency, along with the relevant line ministry, an arrangement which encouraged a unified approach. While the agencies already undertook joint assessment, planning, monitoring and evaluation, the modalities for joint implementation were still being developed.

42. **Mr. Campbell** (United Nations Population Fund) said that the HIV/AIDS thematic subgroup had developed an annual work plan, which enabled all the partners to focus on common Government objectives. The plan minimized redundancies and competition and ensured that any gaps identified were filled. The very positive experience of the subgroup showed that joint programming could work at the operational level, although the partners had yet to develop a common funding mechanism. He noted that although the country programmes had been formulated prior to the adoption of the UNDAF, the programmes and the Framework shared many commonalities.

43. **Ms. Jarawan** (World Bank) said that, while the preparation of the poverty reduction strategy paper was being led by the Government, with the support of the World Bank, UNDP and other international agencies, the process was characterized by the participation of a wide range of actors, including many non-governmental organizations.

The meeting rose at 12.05 p.m.